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NEWS SUMMARY

GENERAL

U.S. is biased says Begin

Israel has blamed Egypt for the deadlock in the Middle East peace talks and accuses the U.S. *of being biased in favour of Cairo.*

A meeting of the Israeli Cabinet also supported Premier Menehem Begin's rejection of four new Egyptian proposals.

Mr. Begin *said* Egypt's demands were inconsistent with the Camp David framework. But he hoped talks could resume, though he could not say when. Back Page

EEC row grows

Efforts are being made to prevent the row over the European Parliament's budgetary powers from becoming a political battle which could seriously worsen French relations with EEC institutions. Back Page

Times deadlock

Talks chaired by Albert Booth, Employment Secretary, over the Times Newspapers suspension broke down after five hours when the National Graphical Association said it would only negotiate if the group withdrew dismissal notices. Times Newspapers rejected the stipulation. Back Page

Haley settles

Alex Haley, author of the best-selling book and television series Roots, has agreed to pay a little-known author a sum believed to be $500,000 to settle a copyright infringment suit. Harold Courlander claims 81 passages in Roots resemble his book The African.

Peking protest

A poster and several slogans in Peking say the police are cracking down on the city's free speech campaign. It is claimed that protesters have been arrested and held at police headquarters.

Sanctions probe

The Government is setting up a special inquiry into failures of the oil sanctions against Rhodesia. Back Page

Oil slick spotted

An oil slick six miles long by 100 yards wide has been spotted 20 miles off Great Yarmouth, Norfolk. Coastguards said it was thought the slick would break up well offshore.

Grants cut

The Government has cut road-building grants to county councils which refuse to increase aid for public transport systems. Page 3

Station opens

The new £9m London Bridge station has been opened, 142 years and one day after London's first permanent railway station opened on the same site in 1836. Picture, Page 3

Sue-perman

Marlon Brando, who plays the father of Superman in a new film, is suing the producers for $50m: He claims they have failed *to honour a promise that he* would be given a share of the film's profits.

Briefly . . .

Blackie, the cat which earlier this year inherited a £35,000 estate, including his own house, died near Sheffield aged 19.

Ten people died when a train crashed near Manzanares, central Spain.

RAF Harrier jet crashed near Oelde, West Germany.

UN General Assembly meeting was cancelled when interpreters stopped work over conditions.

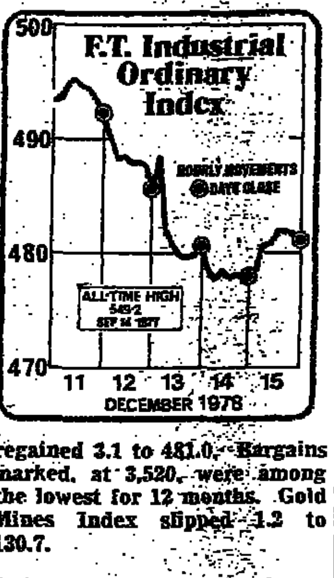
Bonn Parliament approved a Bill allowing men to train as midwives.

Marcus Lady (11-2 nap) and Hectare (9-1) were among Dominic Wigan's winners: Racing, Page 18

BUSINESS

Equities up 3.1: Gold adds $3¼

● EQUITIES steadied on the Government's confidence-vote success. FT 30-share index, down 15.4 since last Friday,



regained 3.1 to 481.0. Bargains marked, at 3,520, were among the lowest for 12 months. Gold Mines Index slipped 1.2 to 130.7.

● GILTS: Shorts, after gains to ¼, closed ⅛ up, with mediums and longs ¼ higher. Government Securities Index rose 0.20 to 68.80.

● GOLD rose $3¼ to $207¼. Comex December settlement price: 205.30 (204.30).

● STERLING put on 35 points to $1.9800. Trade-weighted average was 63.2 (63.1). Dollar's depreciation was 8.7 (8.6) per cent.

● WALL STREET closed off 7.19 at 805.35.

● CENTRAL Statistical Office's *indicators of turning points* in the economic cycle suggest that the rapid growth of the last year has now come to an end. Page 3

● OPEC members meeting in *Abu Dhabi seem certain to order* a rise in oil prices, ending the freeze in effect since July, 1977. Page 2

● BRITISH Airways and Singapore Airways resume their joint Concorde supersonic flights between London and Singapore via Bahrain next month, with three services a week in each direction. Page 3

● *GMWU shop stewards rejected proposals* by a joint British Shipbuilders - union working party for a unified pay bargaining system. Page 4

● NATIONAL meeting of shop *stewards representing BP tanker* drivers and depot workers decided to strike from Jan. 3 in line with decisions at Shell and Esso—unless the company improves its pay offer. Page 4

● SHELL CHEMICALS has given the go-ahead for building a £75m higher olefins plant at its Stanlow complex in Ellesmere Port, Cheshire. Higher olefins are used in making plasticisers and detergents. Page 4

● NATIONAL Freight Corporation expects to be back in the black at the end of this year, for the first time since 1973. Page 4

● KENNECOTT Copper has agreed to a complete restructuring of its main Board to secure a "temporary truce" with Curtiss-Wright. Page 19

● CENTROVINCIAL has sold its AMA building in New York *for £13.9m. Uage 4*

COMPANIES

● ARTHUR GUINNESS made pre-tax profits of £44.9m (£39.5m) on £643m (£499m) turnover in the year to September 30. Page 16 and Lex

● UNITED Scientific Holdings pre-tax profit totalled £3.8m (£2.7m) on turnover of £26.2m (£13.54m) for the year to September 30. Page 16

● LEP GROUP is raising £1.3m by a 1 for 10 rights issue at 210p per share. Page 16

CHIEF PRICE CHANGES YESTERDAY

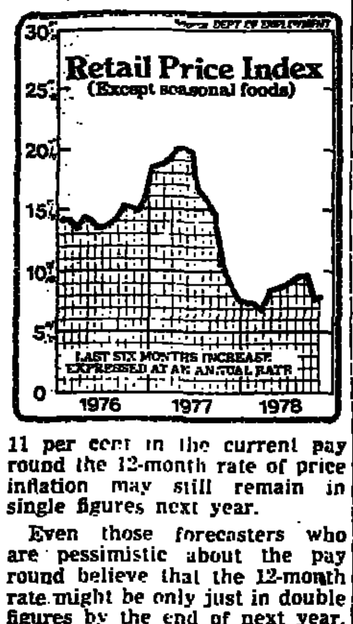
(Prices in pence unless otherwise indicated)

RISES			FALLS		
Funding 5½pc '82-84	£80¼	+ ¼	Hunslet (Hldgs.)	160	− 7
Treas. 12½pc '03-05	£45¼	+ ¼	Mitchell Somers	45	− 5½
Billon (P.)	186	+ 6	Sharpe (W. N.)	143	− 14
Bullough	175	+ 4	Sutcliffe Speakman	49	− 5
Dixon (D.)	110	+ 8	Waddington (J.)	196	− 6
Electronic Rentals	144	+ 6	Anglo Utd. Dev.	168	− 16
Guinness (A.)	162	+ 5	Ayer Hitam	305	− 10
Johnson-Rchrds. Tiles	101	+ 4	Conzinc Riotinto	270	− 10
K Shoes	85	+ 3	De Beers Dfd.	352	− 8
Leigh Interests	128	+ 5	MIM Hldgs.	188	− 7
Lloyds and Scottish	112	+ 10	Northgate Expln.	360	− 30
Lon. and Prov. Shop	148	+ 7	Sabina Inds.	40	− 4
Milletts Leisure Shops	125	+ 5	Tronoh	195	− 5
Mills and Allen Intl.	232	+ 10	Westfield Minerals	240	− 35
Peachey Prop.	92	+ 3			
Prince Wales Hotels	92	+ 3			
Rowton Hotels	153	+ 4			
Time Products	188	+ 4			
Tunnel B	324	+ 18			
Utd. Scientific	262	+ 12			
Poseidon	54	+ 4			

No signs of sharp increase in retail price inflation rate

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

The underlying rate of retail price inflation edged up slightly last month, but there are no signs of a significant acceleration in the near future.



Consequently the 12-month rate of increase should remain in single figures until at least well into next year.

The Department of Employment announced yesterday that the retail price index increased by 8.1 per cent in the year to mid-November to 202.5 (January 1974 = 100).

This compares with a rise of 7.8 per cent in the year to mid-October and means that the 12-month rate has been around 8 per cent for eight months running.

The UK rate also remains slightly below the average for all industrialised countries and in particular is below the level in the U.S., France, Canada and Italy, though well above that in West Germany and Japan.

In the month to mid-November, the index rose by 0.7 per cent. About half the rise was the result of an increase in the price of milk, coal and smokeless fuels, and motoring costs.

This was offset only partially by a reduction in the price of butter and tea.

The best guide to the underlying rate of inflation is provided by the index for all items except seasonal food over six months, expressed at an annual rate. This stood at 8 per cent in mid-November, compared with 7.7 per cent in October.

The Price Commission's index of notified increases also edged up slightly last month, and there are some significant rises in the pipeline.

The latest rise in the mortgage rate will add half a percentage point to the retail price index by the end of January.

The December index will be boosted by higher petrol prices, by the increase in television licence fees and in the price of bread and eggs.

The January index will be affected by the rise in both mortgage rates and rail fares.

None of this need result in more than a modest rise in the 12-month rate in the early months of next year. What happens after that depends on level of pay awards and of sterling and world commodity prices.

The Bank of England quarterly bulletin this week was relatively optimistic about world prices. Its assessment implies that even if earnings rise by between 9 and 11 per cent in the current pay round the 12-month rate of price inflation may still remain in single figures next year.

Even those forecasters who are pessimistic about the pay round believe that the 12-month rate might be only just in double figures by the end of next year.

This implies a continuing, albeit modest, rise in living standards at least, until the summer, though a small rise in world prices could hold back UK export prices, and hence company profitability.

Indicators show expansion rate slackening Page 3

Lloyds and Scottish sells TV rental business

BY ANDREW TAYLOR

LLOYDS AND SCOTTISH, the financing and leasing concern in which Lloyds Bank and the Royal Bank of Scotland each have a 39 per cent stake, has sold the bulk of its television rental business to Electronic *Rentals Group, the television* hire company, in a £61m deal.

Electronic Rental's largest shareholder, Philips Electronic and Associated Industries, which has a 31.9 per cent stake, has played a significant role in financing the deal.

It has made a £10m loan to Electronic Rentals and has agreed to provide a further loan facility of £15m. The terms of the loan are highly beneficial to Electronic Rentals. In return, Philips—with shareholders' approval—intends to lift its stake in the group to 34.08 per cent and this could eventually be increased to 38 per cent.

The deal will also provide further outlets for Philips' television sets. According to a recent Price Commission Report on the rental industry. Electronic Rentals which runs Visionhire, obtains at least 75 per cent of its sets from Philips, which only last year launched an abortive £73m takeover bid for Electronic Rentals.

Mr. *Maurice* Fry, Electronic Rentals' chairman, said the deal would place Visionhire, the UK's second largest television *rental business, on a par with* Granada controlling 12 per cent of the UK market. Visionhire has an 8 per cent share while Thorn remains the outright market leader with a 30 per cent stake.

The deal still has to clear the hurdle of a possible Monopolies Commission reference but Mr. Fry yesterday appeared optimistic.

Six companies control around 60 per cent of the UK market and Visionhire, like other major concerns, has been seeking to increase its share through a series of acquisitions. The largest of these has been Lloyds Surevision.

Since 1974 *Visionhire* has acquired about 500,000 more subscribers through its various purchasers. The group has about 1m subscribers.

Under the *terms of the* deal Electronic Rentals has already paid £40m cash. A further £15m—to be financed by the issue of new shares—is due on January 8, with the balance to be paid on January 31.

It will be acquiring Lloyds and Scottish rental interests of the British Relay Wireless group of companies, including its cable television interest. This will bring around 296,000 new colour television subscribers and 211,000 black and white television subscribers.

These will be absorbed into the existing Visionhire concern and the group warned that there would be some rationalisation *and redundancies affecting* "hundreds" of workers.

The BRW group brings with it 90 freehold and 400 leasehold shops and service depots which generated pre-tax profits of around £1.6m in the year to September *30, 1978.*

Electronic Rentals, however, says that the new business will make only a modest contribution next year after exceptional and rationalisation costs. After that the group should benefit increasingly from the increased size of its business.

Electronic Rentals announced interim figures yesterday with pre-tax profits up from £6.2m to £8.7m.

Another important deal announced yesterday was a £20m Rank Organisation cash bid for Leisure Caravan Parks, extending the Butlin's holiday business it acquired in 1972. Page 17

Terms for Merck's bid for Alginate Industries were also announced. The cash offer of £21½m is recommended by the Alginate Board. Page 17.

See also Lex Back Page

Letraset £19m bid for Gibbons

BY JOHN MOORE

LETRASET INTERNATIONAL, the commercial art supplier, has launched a £19m cash and share bid for Stanley Gibbons, the stamp dealer.

The deal, agreed in just three *days, offers Gibbons shareholders* three shares of Letraset plus 834p in cash for every four ordinary shares which they own.

The bid puts a value of over 300p on each Stanley Gibbons share. Gibbons' shares, suspended earlier this week at 228p on the stock market at the company request, closed at 298p.

Letraset, known principally for its instant lettering products, said yesterday that is is committed to a plan which will provide it with long-term growth. It is seeking new areas of investment in specialised but international markets. "The proposed acquisition of Stanley Gibbons is consistent with this strategy."

The group emphasised that it intended to maintain and expand the business of Stanley Gibbons as a separate entity.

Mr Howard Fraser, chairman, is joining the Letraset board as deputy chairman. He remains chairman of Stanley Gibbons.

In its last financial year, ending December 31, 1977, Stanley Gibbons reported pre-tax profits of £1.56m on turnover of £11.9m. It is expecting to make pre-tax profits in the current year of at least £2m.

Letraset announced its half-year figures yesterday, for the six months ending October 31, 1978, which showed pre-tax profits improved from £3.46m to £5.17m, on turnover of £23.2m.

Mr. Fraser said: "I would like to see this company bigger. Letraset has betwen 55 and 60 outlets in overseas markets where I have none. I am happy to use their facilities."

Man of the Week Back Page

CONTENTS OF TODAY'S ISSUE

FEATURES

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Attention focuses on miners' pay claim

By Christian Tyler, Labour Editor

URGENT ATTENTION is being given in Whitehall to the problem of how the miners' 20 to 40 per cent pay claim is to be tackled now that the Government's pay policy has been so weakened by its Commons defeat on sanctions.

Negotiations on the claim are likely to start in earnest in middle or late January, when the other big public sector groups challenging the 5 per cent guideline—the council and health manual workers—are in full cry.

The National Union of Mineworkers has made it clear from the start that it will not be held to the 5 per cent limit, just as the public service unions are insisting that, with the shackles removed from the private sector, they should get "equal treatment."

Miners' leaders are likely to focus their negotiations on the demand for a four-day week, as well as an increase in basic rates. This claim will be strongly resisted by the National Coal Board, which is certain to reject the argument of Mr. Joe Gormley, NUM president, that a four-day week would cut absenteeism dramatically and even raise output while costing the Board practically nothing.

Although the claim is for a 40 per cent increase for face-workers—to bring them to £110 a week—and for lesser rises for surface workers, the union might settle for less if the four-day week were conceded.

So far, however, the board appears to be pinning its hopes on averting a collision by improving the terms if not the cash maxima of the existing area bonus incentive schemes which are yielding between £7 and £30 a week depending on areas and grades of worker.

The board might also seek to soften a low basic pay offer by meeting some of the fringe claims and improving existing allowances.

There is no sign that the miners want to take the Government on. Mr. Gormley on Thursday urged Mr. Callaghan to go to the country rather than limp on much longer. The Prime Minister should have nothing to fear. Unions would work hard to see him returned with a good majority, he said.

Forced to bow to the will of the Commons, Mr. Callaghan is now being told by trade unions that he can no longer justify rigid application of his 5 per cent policy in the public sector. When the TUC economic committee meets Mr. Denis Healey, the Chancellor, next week, it will tell him that some kind of pay comparability exercise should be set up for public service workers, to ensure that they are not "discriminated against" simply because they happen to be ser-

Continued on Back Page
Politics Today Page 15

LYNCH PUTS CONTROLS ON

Ireland opts for EMS membership

BY STEWART DALBY

DUBLIN — Ireland will join the European Monetary System on January 1, Mr. Jack Lynch, the *Irish* Prime Minister, announced yesterday.

The Irish Government hopes and expects, however, that membership will not mean a change in exact parity between Irish and British pounds at least in the short term.

The decision, which followed a day-and-a-half of intense Cabinet debate, means a technical break in the historic link between the two currencies. From last night the exchange controls between Ireland and EEC members also became effective against the UK.

The main reason for the reversal of the Irish Government's decision at the Brussels summit of December 4 and 5 is *that the terms offered by way of* transfer resources have been improved. It was also swayed by Italy's decision to join.

Mr. Lynch paid glowing tribute to Italy's commitment to the European ideal and in a statement read out in the Dail, he said *Ireland's decision to join* was an act of trust in the European community.

It became clear last night that membership involved an act of faith that Britain would be able to maintain the stability of sterling.

The Government stressed in a White Paper that Ireland had the option if it chose to avail itself of a 6 per cent fluctuation *margin inside the system.* This means providing Sterling does not decline by more than 6 per cent from the new currency unit, Ireland should be able to maintain parity.

The possibility of a divergence between the Irish and British pounds had been one of the major considerations behind Ireland's membership and was an important factor in its initial decision not to join.

Although final details of the assistance package have yet to be worked out, Ireland looks as if it will get a further £50m over and above the £225m in bilateral arrangements, especially, it is thought, with West Germany, the Netherlands and Denmark.

Ireland's exports to the UK amount to 47 per cent of the total and 48.9 per cent of its imports come from the UK so any divergence in the parity rate could have severe repercussions *for its fragile balance of payments.*

The other main worry was that the terms offered were not adequate. Ireland had consistently said that it wanted £650m *in permanent transfers or grants over a five-year period in order* to join. The money was to be used for projects like roads and telephones and thus relieve pressure on Ireland's hard-pressed exchequer.

The public sector borrowing rate is 13 per cent of gross national product, which the Government has promised to bring this down to 10 per cent next year.

At Brussels the Irish Government was offered £225m in *grants over five years, or a third* of what it wanted.

Mr. Lynch has managed to negotiate terms which will allow him to receive the extra £50m in the first two years, meaning permanent transfers of £70m for *the next two years. From last* night, following amendments to the Exchange Control Acts of between 1954 and 1958, Irish residents with deposits abroad must repatriate them within three months. All fixed assets *held by Irish residents abroad* must be declared. The travel allowance to anywhere abroad, including Britain and Northern Ireland, will be restricted to £100 in notes and £500 in foreign currency. An individual resident *will not be able to buy foreign* securities. Existing holders of foreign securities will have to sell them to non-residents. Institutions wishing to make investments abroad will need central bank permission. Certain *property purchases will need central* bank approval.

The one remaining area of uncertainty is whether non-Irish resident holders of Irish Gilts and equities will be able to sell them through the dollar invest*ment pool at a premium*

Michael Blanden writes: The Irish decision brought confusion and uncertainty in London as officials and market dealers tried to work out its implications.

The major question was *whether the move would require* the UK, now or later, to impose exchange controls on transactions with Ireland.

This would have important effects, including the possibility that holdings of Irish gilt-edged *securities* might in future attract the dollar premium.

The Irish moves did not appear to imply that a gap would be created through which UK funds could move abroad to other countries and escape the British *exchange controls.*

But it was felt that if a large volume of speculative funds started to move from the UK to Ireland, on the possibility that the currency link might be severed in future, the UK could be forced to take action.

£ in New York

—	Dec. 15	Previous
Spot	$1.9780-9790	$1.9740-9750
1 month	0.30-0.25 dis	0.41-0.36 dis
3 months	1.04-0.99 dis	1.13-1.08 dis
12 months	3.90-3.75 dis	4.05-3.90 dis

OVERSEAS NEWS

Pro-South Africa party sweeps Namibian election

BY QUENTIN PEEL

JOHANNESBURG — The pro-South African Democratic Turnhalle Alliance (DTA) won a landslide victory in last week's South African-sponsored elections in Namibia (South West Africa), it was announced yesterday.

The DTA will fill 41 of the 50 seats in the Constituent Assembly which must now decide whether or not to agree to a second round of elections under UN supervision. Only Aktur, an alliance based largely on the all-white and even more conservative National Party, won any other appreciable share of the vote—just under 12 per cent, against the DTA's 82 per cent.

In spite of a boycott campaign by the South West Africa People's Organisation (SWAPO), the principle black nationalist movement, and the Namibia National Front, the other significant black grouping, there was an 80 per cent poll, according to the South African electoral officials, and fewer than 5,000 spoiled papers.

The high turnout and DTA victory was immediately interpreted by the DTA and South African observers yesterday as a decisive rejection of SWAPO and its campaign of guerrilla warfare against the South African armed forces on the Namibian border.

The election is regarded as void both by the UN and the western members of the Security Council who have been attempting to negotiate a peaceful settlement in the territory. They maintain that any poll held under South African supervision, and with South African troops in the populous border area, cannot be seen as an objective test of public opinion. The DTA, which consists of 11 ethnic groups essentially representing the traditional tribal authorities in the country, is closely identified with the South African administration.

The key question to be decided by the Constituent Assembly is whether to agree to a second round of UN-supervised elections, and subsequent international recognition of the result, or to opt for an internal solution to ensure the exclusion of SWAPO.

Zambia poll result a fillip for Kaunda and UNIP

BY MICHAEL HOLMAN

LUSAKA—President Kenneth Kaunda was today sworn in for another five-year term as further results from Tuesday's elections showed that he had won the support of 80 per cent of the voters in a 65 per cent turnout. Declarations are still awaited from 15 of the 125 constituencies but will not substantially alter the outcome.

For Dr. Kaunda, who has led Zambia since independence in 1964, and for his ruling United National Independence Party (UNIP) the results are a great success, marred only by the fact that the President only just carried Southern Province.

Not only did a surprisingly high number of the 2m voters go to the polls, but most voters appeared to have been convinced that shortages of basic commodities and the economic depression were not the fault of Dr. Kaunda but were caused by "outside forces"—an uncontrollable slump in copper prices, transport problems and regional instability.

Dr. Kaunda has won what might be seen as an endorsement of his uncompromising role in the southern African conflict. During the campaign he declared that military spending would have to increase, leaving less money for schools and hospitals, and he gave warning of a protracted struggle ahead.

Nevertheless, the results also show that a fifth of the voters were prepared to oppose the President—the sole candidate—despite the lack of any alternative candidate. They were undeterred by the vigorous "Vote Yes" campaign which presented an apocalyptic vision of the future should the President lose.

Magazine editor resigns

BY OUR FOREIGN STAFF

MR. KENNETH MACKENZIE resigned yesterday as editor of West Africa, the respected, London-based magazine which this week was alleged to have been one of the objects of a South African Government attempt to acquire a controlling interest in various international publications. In the case of West Africa, any such attempts were ineffective.

Mr. Mackenzie said he had resigned because the management of the magazine, without his consent or knowledge, had altered an editorial due to appear in yesterday's issue of the weekly. This, Mr. Mackenzie said, was an "intolerable interference in the rights of an editor."

The management deleted two paragraphs of the editorial, in which the editorial staff called for the fullest inquiry into the allegations.

The deleted paragraphs also called for the resignation of Mr. Jon Kimche, who handled the 1975 sale on behalf of the buyers

Mr. Mackenzie said that, in place of these two paragraphs, Mr. Kimche and Mr. Cazaly, who is in charge of the magazine's administration, had substituted the full text of a management statement denying the magazine had ever had any connection with the South African Information Department.

The original editorial had made reference to the management's denial of the allegations, but had not given in full the text of its statement. Attempts last night to contact Mr. Kimche were unsuccessful.

Cleveland teeters nearer the brink

By Jurek Martin

WASHINGTON—The city of Cleveland, Ohio, was teetering ever nearer the edge of bankrupt yesterday following the refusal of the city council to support Mayor Dennis Kucinich's last-ditch financial package.

Only a complete capitulation by the Mayor, it seemed, could save the city from defaulting on $15.5m of debt due for repayment by midnight. Four local banks, holding $9m worth of the debt, said they would demand repayment of the notes as scheduled.

Both the banks and the council are adamant that Mayor Kucinich should agree to sell the loss-making city owned municipal light company (Muny Light), which is itself in default for non-payment for power it bought from the private utility, Cleveland Electric Illuminating Company.

After bitter debate the council said that it would only back Mayor Kucinich's plan—calling a referendum on a 50 per cent increase in the civic income tax, raising $90m in bonds to meet next year's cash needs, and appointing a city financial overseer—if Muny Light were sold.

Negotiations were still going on last evening on a possible compromise involving at least partial wresting of control of the utility from the city.

But the diminutive 32-year-old mayor, who won election last year in good measure on his "power to the people" populist platform of not disposing of the local utility, was showing no signs of budging.

He told the council after its vote: "After today, there is no way you can't tell the people of Cleveland that you participated in the murder of this city. You cannot wash your hands of what you did. That which is crooked cannot be made straight."

He also sharply attacked Cleveland Trust, the largest noteholder, charging that if the lead bank had not said it would demand repayment, the other institutions would have been willing to extend the debt. "We should go to Cleveland Trust, and withdraw money from the bank and then we will see if Cleveland Trust is willing to destroy this city. I will go there this afternoon and pull out my savings," he said.

If Cleveland, a decaying industrial metropolis which used to be one of the country's leading cities but which now ranks eighteenth in size nationally, does default it will be the first major city to go under since the depression of the 1930s. The federal Government in Washington, which has helped Cleveland in the past and which helped stave off bankruptcy in New York, appears to have no intention of intervening on this occasion.

Default on the present due debt would not mean instant bankruptcy. It is generally assumed that it would take a month or two to exhaust the city's cash finally and therefore to lay off municipal workers and suspend city services.

A refinancing package, however, could presumably be assembled if the city agrees to adopt certain fiscal and economic disciplines and policies. But the feeling in Cleveland is clearly that Mayor Kucinich, inevitably known as "Dennis the menace," is not the man to carry out such a programme.

OPEC set to increase oil prices

BY JAMES BUXTON

ABU DHABI—The thirteen members of the Organisation of Petroleum Exporting Countries (OPEC) meeting here today appear certain to order an increase in oil prices ending the price freeze that has been in effect since July 1977. Sheikh Ahmed Zaki Yamani, the Saudi Arabian Oil Minister, said yesterday that an increase in prices was inevitable.

However with the moderate members of the organisation in a commanding position the size of the increase is expected to be fairly modest. Sheikh Yamani says that he wants an increase to come in stages and "in specific doses" over the year.

It is reliably understood that Saudi Arabia would be prepared to sanction an increase of around five per cent on January 1 followed by two further small increases in July and October making an aggregate increase for the year in the region of 10 per cent.

Saudi Arabia has the support of the United Arab Emirates which is hosting the conference and it is believed that Kuwait, Qatar, Venezuela and Iran are likely to follow suit.

Although Iran, which is the second biggest exporter in OPEC badly needs extra revenue the regime of the Shah does not want to offend the U.S. and western countries or to antagonise Saudi Arabia.

Mr. Tayeh Abdul Karim, the Oil Minister of Iraq, which has hitherto been considered a leading hawk in the cartel, said on Thursday that a "token" increase of five to 10 per cent would be unacceptable. But in what was considered an indication of unaccustomed moderation he stated that Iraq would not seek full compensation for the 57 per cent loss of purchasing power that it believes it has suffered because of the depreciation of the dollar and imported inflation since January 1977.

Mr. Izzeddin Mabrouk, the Oil Minister of Libya which normally takes a radical stand, stated that Libya wanted a 20 per cent increase but that might be too much for the market to absorb.

The cutbacks in Iran's production due to strikes in the oilfields—production has been running at about 1.1m barrels per day recently—is considered by OPEC a temporary phenomenon which does not in itself justify a large price increase, thought it has caused an additional tightening of an oil market which is already experiencing strong demand due to restocking and seasonal factors.

Though the final agenda for the meeting has not been decided Saudi Arabia has indicated that it would like to see a widening of the price spread between the more expensive light crudes which are more attractive to oil refiners and the heavier varieties. A larger percentage price increase for the lighter crudes than for the heavier would encourage sales of the latter. This would benefit Iran and Kuwait as well as Saudi Arabia, which want to sell more heavy crude.

Another question the OPEC ministers have to decide is whether to set a single price increase for the whole year or to have a succession of rises spaced out over the year, an idea which was mooted earlier this year by Saudi Arabia and is said to have the support of Kuwait and Venezuela.

OPEC is also expected to discuss indexing the dollar price of oil against a basket of currencies, thus getting away from dependence on the U.S. currency. However, although this has been studied by a high level OPEC committee the idea has been rejected by Saudi Arabia and does not appear likely to gain acceptance at this point.

Iran to take a back seat

BY SIMON HENDERSON

TEHRAN—Iran's position at the OPEC talks is to be moderate and neutral and its delegation is expected to sit back and let others make the running. This is because Iran expects the talks to go its way in any case—in favour of an increase of about 10 per cent.

Iranian production has dropped again and Thursday output was under 1.2m barrels, only 1.1m barrels being produced by the western consortium and between 0.5m and 0.6m barrels being available for export. That is only a little higher than production during the strike in November when exports were halted completely for two days.

Oil experts fear that production might fall still further during the current strike so that even domestic demand will not be met. The strikers earlier promised to maintain home supplies.

Already some imports are having to be made and products being sought include petrol, kerosene and other middle distillates. Supplies of white kerosene hav arrived by tanker from Kuwait.

The oil field engineers are among the most politically motivated of the strikers and so, despite a Government decision to take action against them, the present level of disruption might well continue.

The refineries at Shiraz and Tabriz which usually each produce 80,000 barrels daily are out of action and that at Tehran is only giving half its normal 220,000 barrels. Abadan, from which all refined exports flow, is also disrupted.

World supplies 'secure'

BY ROBERT MAUTHNER

PARIS — The fall in Iranian oil production has not yet posed a serious threat to world oil supplies, according to international energy officials.

This was one of the main conclusions of a two-day meeting in Paris of the governing board of the International Energy Agency, at which prospects for increasing coal production were also discussed.

Dr. Ulf Lantzke, executive director of the IEA, said after the meeting that the fall in Iranian production would have to continue for a long time before an emergency arose. The governing board had not discussed the IEA's emergency oil-sharing scheme at its current meeting. Oil production in other regions was high and there were no particular fears that the high winter demand could not be met.

National representatives at the IEA meeting broadly approved the findings of a report on the outlook for steam coal, published last week by the organisation's secretariat. There was unanimous agreement that after 1985 coal would again become a major source of energy and that rapid action was required to step up output.

An IEA ministerial meeting will be held here within a few months to discuss measures needed to increase coal production and trade.

The governing board designated October, 1979, as an International Energy Conservation Month.

Production rise of 0.7% in U.S.

BY JUREK MARTIN

WASHINGTON — Industrial production in the United States rose by 0.7 per cent in November, well above the level yesterday.

Although production of consumer durable goods other than cars and car parts fell last month, this was more than offset by widespread gains in all other sectors. This suggests that the U.S. economy is nowhere near the edge of the recession that is expected by many private economists.

The official view, however, was put in Congressional testimony yesterday by Mr. William Miller the Fed's chairman, who repeated that the economy at present seemed quite well balanced and healthy, though with some moderation of growth in the offing for next year. He expressed concern about inflationary expectations on the wages front next year, but held out the "real hope" that the Government's overall anti-inflation programme could work if it obtained "co-operation, perseverance and patience from all groups in our society."

While maintaining that monetary policy alone could not do the trick, Mr. Miller said there was evidence already that the measures taken to date were starting to reduce inflationary expectations. He cited the improvement in the value of the dollar and the comparative stability of long-term interest rates.

UN staff walkout halts Assembly

By Our Own Correspondent

UNITED NATIONS — More than 1,000 United Nations staff walked off their jobs today in the biggest protest ever stated here against working conditions. The action paralysed the General Assembly, causing cancellation of meetings called to consider a number of resolutions on disarmament and other major political issues.

The department of conference services, crucial to the Assembly's proper functioning, was the main focus of the stoppage. Interpreters, translators, multilingual typists, documents editors and production staff were all involved. Some of the officials earn more than $40,000 a year.

The action was not over pay scales, already higher than those in most national civil services. The protesters said they objected to the lack of communication between management and staff and to the downgrading of many posts without previous consultation.

There was strong resentment over a recommendation voted through the Assembly's budgetary committee last night to limit promotions of general service staff to the professional grades to 25 per cent of all new professional entrants. Third world members backed this proposal as a means of obtaining more representation for their nationals—often their own Government's officials on secondment.

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Rift in Gaullist party widens

BY DAVID WHITE

PARIS — Divisions in the Gaullist RPR Party, the biggest force in the French National Assembly, opened wide yesterday, after a second powerful Gaullist politician openly attacked its leader, M. Jacques Chirac.

Deep rumblings at the heart of the Party (Rassemblement pour la Republique coincide with a bitter argument between the RPR and M. Valery Giscard d'Estaing's Government over the future of the EEC and the powers of the European Parliament.

Mr. Alain Peyrefitte, Justice Minister, and one of seven Gaullists in the French Cabinet, accused M. Chirac of "excessive statements" about France's European policy. M. Chirac, who is recovering from a car accident last month, launched an appeal to the French public 10 days ago in protest at what the RPR considers a threat to French sovereignty.

M. Peyrefitte, an influential figure of long-standing in the Gaullist movement, suggested cuttingly that "hidden personalities" had taken hold of the Party leadership during M. Chirac's time in hospital. M. Chirac's charges that the Government was "debasing France," M. Payrefitte said, jeopardised both the Party and the solid base of the ruling majority.

The leader's response came from the mouth of M. Yves Guéna, political counsellor and right-hand man of M. Chirac. He said M. Peyrefitte no longer held any Party post, and was "not authorised to give lessons."

More fuel was poured on the fire by publication of a news-agency interview with M. Chirac, in which the former Prime Minister, who supported M. Giscard d'Estaing in the 1974 presidentials, spoke of anti-French influences in both the majority and the opposition.

He recognised that President Giscard had declared himself against a federal Europe, but hinted strongly that this might just be a blind to mask the Government's real intentions.

The RPR secretary general, Paris Deputy M. Alain Devaquet, afterwards described the statements as a personal reflection, rather than a representative point of view of the Party.

The enlargement of Europe and the powers of the European Parliament after next June's direct elections gave rise to a heated debate in the National Asesmbly. The new Foreign Minister, M. Jean François-Poncet, said that enlargement, which both Gaullists and Communists oppose, was an economic necessity.

M. Peyrefitte then returned to the scene of battle to appeal for calm and unity in the ranks of the RPR, which celebrated its second birthday last week.

Internal contradictions are now more blatant than ever. The latest crisis was precipitated on Wednesday by one of the oldest Gaullist "barons," M. Alexandre Sanguinetti. He withdrew his support for the leadership, charging M. Chirac with playing a double game to foster his own ambitions for the Presidency.

The isolation of M. Chirac from some powerful elements of the Gaullist leadership has now gone beyond the stage of the personality clashes which were already evident.

Brazil call on trade barriers

By Hugh O'Shaughnessy

DR. AURELIANO CHAVES, the vice-president elect of Brazil, yesterday coupled a reaffirmation of his country's swift progress towards real democracy with an appeal for the lifting of barriers against its exports.

The vice-president-elect who, with General Joao Baptista Figueiredo, the president-elect, takes office in March, told a packed audience of business people in London that he regarded barriers to the free flow of trade between developed and developing countries as "worrying, even alarming."

Dr. Karlos Rischbieter, President of the Banco do Brasil, hinted that Brazil would have less recourse to international capital markets next year.

"The time has come for changing the kind of foreign capital inflow," he said. "Now Brazilian businessmen think that they have enough debt and are asking for more equity."

He emphasised that foreign partnership in business was welcome. "There are a lot of investment opportunities with a high rate of return just waiting for a good partner," he commented.

A third speaker, Dr. Roberto Campos, the Brazilian ambassador, emphasised efforts that were beginning to be made to achieve a better distribution of wealth in Brazil.

Bonn accord on bank information

BY JONATHAN CARR

BONN—West German banking supervisory authorities expect to obtain more information about the business of German bank subsidiaries abroad, under a "gentlemen's agreement" reached this week.

A federal banking supervisory office spokesman in Berlin said yesterday the accord would first go into effect in Luxembourg, in full agreement with the authorities there. But the terms permitted extension to other countries where German banks had subsidiaries.

The accord has been reached with the leading associations of the private, savings and co-operative banks. The banks say they are prepared to give the supervisory authorities more information on the annual results of their foreign subsidiaries, in the form of audited reports.

The move goes at least some way towards meeting fears that the West German banking supervision law is being undermined because domestic banks can assign business to subsidiaries abroad over which federal authorities have no control. This anxiety has been particularly marked over the growing activity of the banks' Euromarket subsidiaries in Luxembourg.

Earlier this year Dr. Claus Koehler, a member of the Bundesbank directorate, drew public attention to the expanding business of the banks' Luxembourg subsidiaries. He noted that since the start of the 1970s these subsidiaries had built up balance-sheet totals which together equalled about 14 per cent of those of the parent banks.

It was also known, Dr. Koehler said, that the foreign claims of all commercial banks in Luxembourg had increased 20-fold, and in the Bahamas 22-fold in the past seven years.

Italians battle for top jobs

BY RUPERT CORNWELL

ROME—The Byzantine, but outwardly usually civilised, ritual manoeuvre over the choice of chiefs for Italy's largest public-sector companies is reaching its climax here, amid an uncharcteristic display of public bloodletting.

Sig. Antonio Bisaglia, the Minister for State Participation, has publicly demanded the dismissal of the managing director of IRI, the giant state-owned conglomerate whose top boardroom jobs are among those involved.

The effort to oust Sig. Alberto Boyer is ostensibly a consequence of an alleged unauthorised purchase by a subsidiary of the IRI Group of a 50 per cent interest in a Tehran construction company.

The deal has been the subject of strident criticism in the Italian Press, and become all the more publicised given the dire straits of the Shah's regime, to which the Tehran company has been said to be linked.

However, many observers also believe the affair is linked to the intricate negotiations over the "nominations" between the various political parties and factions, as Sig. Bisaglia attempts to construct the most generally accepted package.

At the best of times, the process is arduous, since these commanding heights of the public sector are strategically vital, so that the parties can spread their influence and patronage as widely as possible.

This year's task, however, is stickier than ever, because of the political climate in Italy and the importance of the prizes. They include not only IRI, with over L14,000bn (£9bn) of turnover and more than 500,000 employees, but also the rich and powerful ENI hydrocarbons group.

● Terrorist violence returned to northern Italy on Thursday, when gunmen shot two police officers outside a prison in Turin, not far from where Red Brigades leaders were tried and sentenced earlier this year.

Hours later, Sig. Franco Pila, president of a local savings bank, was ambushed and shot six times in the legs at a chemist shop near his home close to Venice. His condition was said later not to be serious.

In Florence, an unidentified gang ambushed and shot a deputy district attorney. He was said to be in a serious condition.

Energy-saving move by Prague

BY PAUL LENDVAI

VIENNA—Mr. Leopold Ler, the Czechoslovak Finance Minister, has announced in his budget speech to the Federal Parliament in Prague that from January 1 a "readjustment" of wholesale prices of fuels and energy will be carried out to stimulate energy and raw material savings. The Minister did not give any details.

He added that companies which produced poor quality goods would be much more severely penalised in future. Their profit and wage funds would be affected by new regulations which are aimed at ensuring an improvement in the utilisation of plant and other fixed assets.

The Minister said that 30.2 per cent of gross national income would be spent on investment next year which represents a 2.4 per cent reduction compared to 1978 levels. Fuel, energy, transport and housing would be the most important investment areas. Budgetary revenues would be up by 4.6 per cent with 50.6 per cent of budget spending earmarked for productive investments and economic developments while social spending on education, health, social insurance and pensions would account for 40.5 per cent.

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Councils face punishment over transport policy

BY IAN HARGREAVES, TRANSPORT CORRESPONDENT

COUNTY COUNCILS which have refused to back the Government's policy on public transport are to be punished by cuts in the grants made to them for road building.

This is the main feature of policy underlying yesterday's announcements of Transport Supplementary Grant for 1979-80.

Mr. William Rodgers, the Transport Secretary, said he was delighted that most rural counties had responded to his requests to increase their support for public transport, which in some areas had seriously declined.

This would enable the rural counties to spend 25 per cent more on bus subsidies next year than in 1977-78, which would go some way towards the Government's target of a £15m or 60 per cent increase by 1980.

Other counties, however, had failed to step up their spending on public transport and in some cases not produced the rolling transport strategy plans required under the terms of this year's Transport Act.

The worst offenders, from the Government's point of view, are Oxfordshire and Northamptonshire, although cuts have also been made in the road grants to Warwickshire, Berkshire, Hereford, Worcester, Wiltshire, Shropshire, Gloucester and Norfolk.

In a letter to Oxfordshire County Council, Mr. Rodgers says that the authority has shown no sign of taking its transport responsibilities seriously.

The penalty for this policy is that only 6 per cent of the county's proposals for road construction have been allowed and Oxfordshire must make do with only £0.1m, of total TSG at November 1977 prices.

Northamptonshire, likewise, has been told that two local road projects, an extension of the A45 and a plan for Wellingborough, will not be supported. The other offenders have been allowed between two-thirds and 95 per cent of their highway construction bids.

Dorset, regarded as a model county in terms of its public transport planning and expenditure, has had its entire bid accepted for both public transport and new roads, giving it a total of £2.24m in grant.

Northamptonshire County Council said last night that it would be seeking an urgent meeting with Mr. Rodgers, who had misunderstood the county's strategy. The council's aim was to arrest the decline of public transport by putting it on a sound financial footing.

There were also strong words from the Greater London Council, which as usual takes the lion's share of transport supplementary grant, with £92.4m or 34 per cent of the national total.

Mr. Rodgers complained to the GLC about its plans to reduce revenue subsidy to London Transport from £58m this year to £28m in 1980-81.

Miss Shelagh Roberts, head of the GLC Planning and Communications Committee, said it was a cheek for the Minister to criticise this policy when he had refused to sanction the £30m Thames tunnel at Woolwich and the Docklands leg of the Jubilee Line of the London Underground.

Mr. Rodgers is also worried about a similar attitude on revenue support in the submission of the West Midlands Metropolitan County. South Yorkshire, the rebel Labour authority which has refused to put up bus fares for three years, has again found itself with virtually no grants for roads.

Malaysia agrees Concorde flights for six months

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BRITISH AIRWAYS and Singapore Airlines will resume their joint Concorde supersonic flights between London and Singapore, via Bahrain next month, with three services a week in each direction.

This follows a Malaysian Government decision to drop its ban on Concorde flights through Malaysian air space for a six-month experimental period, following talks between the UK and Malaysia.

The joint BA-SIA service to Singapore started a year ago, but only three flights in each direction were allowed, the Malaysian Government then imposing a ban on the aircraft flying down the Straits of Malacca in the belief that it was harmful to the Malaysian environment.

Since then, the UK and Singapore Governments have pressed continually for the ban to be lifted, arguing that if Concorde is acceptable at New York's Kennedy Airport, and at Washington and Dallas/Fort Worth, Texas, it should also be acceptable to Malaysia.

Announcing the Malaysian Government's decision to permit a resumption of flights over Malaysia, the Malaysian Transport Minister, Mr. V. Manickavasagam, said he reserved the right to stop the flights at any time, if they were found to be harmful to the environment, through noise or pollution.

Both British Airways and Singapore Airlines welcomed the decision yesterday.

They will now start detailed discussions with the Malaysian Government on the precise track of the Concorde through the Straits of Malacca, between Malaysia and Indonesian territory en route to and from Singapore.

Indicators show that rate of expansion is slackening

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

A CLEAR WARNING that the rate of expansion of economic activity has started to slacken was provided by official indicators published yesterday.

The Central Statistical Office's indicators of turning points in the economic cycle suggest that the rapid growth of the last year has come to an end.

The key point is that both the shorter-leading index, looking ahead an average of six months to a change in the cycle, and the coincident index fell in October.

This was in contrast to the rising trend in both indices until the late summer, and underlines the implications of the decline since autumn, 1977, in the longer-leading index, which looks ahead with a lag of about 12 months to turning points in the economy.

The longer-leading index has dropped by about 15 per cent since September, 1977, and is at its lowest level since 1974, before the start of the last recession.

Short-term movements in these indices have to be treated with some caution because of later revisions. The longer-leading indicator, is for example, heavily influenced by changes in share prices and short-term interest rates.

But the broad message of all the indicators is now clear, and is consistent with this week's retail sales and industrial production figures, both of which pointed to a moderation in expansion from the late summer onwards.

There is some dispute about what will happen next year. The latest official cyclical indicators suggest that the rate of expansion will be modest.

A monetarist analysis points to some slackening in growth, at least for part of 1979, since the real money supply — the increase in cash and bank deposits adjusted for inflation—has recently been growing very slowly.

The Treasury has projected a 2 per cent rise in total output, as measured by real gross domestic product, in the next 12 months after a 3½ per cent rise in the last year.

In contrast, the Bank of England has been more optimistic and has forecast a 3 per cent underlying expansion of output, provided there is not a wage explosion.

£9m London Bridge station opened

BY LYNTON McLAIN

THE NEW £9m London Bridge station was opened by Dr. Mervyn Stockwood, Bishop of Southwark yesterday, 142 years and a day after London's first permanent passenger railway station was opened on the site in 1836.

The ceremony was the culmination of a £33m, 10-year redevelopment programme to improve passenger facilities and train services on 150 miles of the busiest commuter railway in the world.

Sir Peter Parker, British Rail Board chairman—described in a slip-of-tongue moment by the Bishop as "Saint Peter"—said it was a great day of the Southern Region commuter. Up to 150,000 daily train travellers through London Bridge station had tolerated a decade of reconstruction while the old station, which was bombed in December, 1940, was pulled down and the new structure erected.

The Bishop of Southwark said commuters had been faced with "*unexpected unpleasantries*" when railmen worked to rule or went on strike. But when they were not faced with these problems, British Rail supplied a service that would have been undreamed of when the first station was opened.

Sir Peter was booed by railmen when he made a similar criticism of the minority of workers who disrupted Southern Region commuter services with one-day strikes. He said it was impossible to see what good the action did. The Bishop of Southwark said he expected to be booed as well, but the railmen remained silent.

Services at the new yellow, brown and black painted station include a drug store, a beauty centre, hairdreser, off-licence and grocery store. But there are no seats for passengers, and those wanting a quick wash and brush-up had to pay 4p. Shaving facilities are available for an extra 20p.

The range of services offered to commuters is matched by the unusual design of the new station. Sir Peter pointed to the "brave new canopy" of steelwork which overlooked the platforms and the concourse, with the loftiness of nearby Southwark Cathedral, and the engineering precision of an aircraft hanger. The structural steelwork and corrugated sheets are painted canary yellow, in contrast to the brown wall cladding and the black rubber floor covering.

The cost of the station compares with the £7,750 paid by the London and Greenwich Railway Company in the 1830s for an old Flemish burial ground, the site of the original station.

Fleetwood group to close

THE COMPANY which handles the landing and marketing of fish from boats docking at Fleetwood, is to go into voluntary liquidation in spite of a promise of state aid.

In November, the Fleetwood Fishing Vessel Owners' Association announced that, without help, it would be bankrupted and Fleetwood would be finished as a fishing port.

Last week, the Government promised boat owners using the port a share of a £1.2m grant to cover the increased dock and landing charges. Hull and Grimsby, two depressed fishing ports on the Humber, were also to benefit.

The Fleetwood association wanted direct aid to cover losses this winter, estimated at £150,000 up to the end of February.

The Ministry of Agriculture pointed out that, since the vessel owners benefiting from the landing charge grants were also the shareholders in the association, they should be able to come to some arrangement about using the money for the common good.

The decision was announced yesterday by Mr. Mark Hamer, general manager of the association, who said it had been taken in spite of detailed talks with the Government and a week's deferment of the threat of closure.

The association would probably continue trading until Friday, Mr. Hamer said, but it might be forced to stop "at any time."

Mr. John Silkin, Minister of Agriculture, said yesterday that he would regret any hasty decision which might result in any further reduction in employment or dock services. "Under the terms of the aid on dock charges I announced on December 7, some £180,000 would be made available to qualifying vessel owners in Fleetwood."

Director will quit Turner and Newall

MR. J. K. SHEPHERD, one of the two managing directors of Turner and Newall, will be leaving the group and resigning from the board from January 1.

His departure was "perfectly amicable," said Mr. S. Gibbs, vice-chairman of the automotive and construction materials group, yesterday.

Mr. Shepherd had decided he wanted to be released after discussions about developments of the group structure, said Mr. Gibbs. He would not give further details or say where Mr. Shepherd would go next.

Mr. Shepherd has been responsible for the automotive components and building materials divisions of the company, and some of the overseas activities.

£1m share capital for IAS

BY COLLEEN TOOMEY

IAS CARGO Airlines, a privately-owned company which is the largest independent all-cargo airline in Britain, has raised £1m in new share capital.

The company is issuing 1m 6 per cent cumulative convertible preference shares at £1 each. The shares are offered for subscription by the company's financial advisers, Energy Finance and General Trust. Mr. Alan Stocks, the chairman of IAS, and his wife are selling £250,000-worth of their holdings in the company.

The capital being raised will be used to reduce IAS's bank borrowings of £500,000 and provide additional working capital. Mr. Stocks hopes that with a broader equity base he can buy aircraft and build a hangar at the company's Gatwick base.

The new preference shares will be created at an extraordinary general meeting on January 15, where each existing £1 Ordinary share will be split into four Ordinaries of 25p each.

Mr. Stocks and his wife are placing 357,143 ordinary 25p shares, about 5 per cent of their present stake, at a price of 70p a share.

News Analysis ● David Churchill examines the toy trade

Reputations hang on a fickle public

THE PRICE Commission's probe into the British toy and games market, announced this week after widespread concern at the sharp increase in some toy prices this Christmas, is likely to find that there is little seasonal cheer in the trade.

While toys traditionally bring pleasure to children and adults alike at this time of the year, for the toy manufacturers and retailers, the period up to Christmas is the most nerve-wracking and tension-filled time. The two months before Christmas are the most crucial trading period for the industry—toys and reputations have been won or lost over the tastes and preferences of the fickle public. Last Christmas the skateboard was the "in" toy, this year it is virtually forgotten, replaced in the popularity stakes by video television games.

More than half of toy sales are made in the crucial last quarter of the year, and this year the trade expects the pattern to be repeated. Sales are estimated to be about 20 per cent up on last year, with the industry likely to top a record £350m at manufacturer's prices. The consumer boom will ensure that more is spent on children's toys this Christmas than ever before.

But while manufacturers remain jittery about whether marketing decisions taken almost a year ago will pay off in the shops, the sector of the trade with most problems remains the specialist independent toy retailer.

Mr. John Stevens, the respected toy analyst from stockbrokers Grieveson, Grant highlights the impossibility for specialist toy shops of living up to their popular image of an Edwardian shop with an "Aladdin's cave of toys."

"Perhaps that is how it should be," he suggests. "But it isn't, except in the evocative designs of the Christmas card manufacturers. Toy retailing is a tough business, and increasingly competitive."

Like all small independent retailers, the 5,000 or so specialist toy shops throughout the UK have faced the inevitable problems of rising rents, rates and other costs of staying in business.

But the small toy retailers have come under severe pressure in recent years from High Street multiples such as F. W. Woolworth, W. H. Smith and Boots, as well as new competition from such aggressive supermarket chains as Tesco. The specialist toy retailer's problem is that, with his high margins, slow stock turn, and highly seasonal business, it is difficult to compete with the large multiples or supermarkets which use their considerable buying power to secure large discounts and undercut the specialist toyshop.

Trade sources estimate that the specialist toyshops and other small retailers who stock some toys, only account for 30 per cent of total sales. About a quarter of the market is held by department and variety stores such as Woolworths, Littlewoods and British Home Stores, while supermarkets have about a fifth of the market. Mail orders account for 15 per cent of sales, with stationers such as W. H. Smith having a 10 per cent slice.

But these figures are misleading because, while the specialist shop has to trade throughout the year, most of the other retail outlets can concentrate their toy sales in the peak last quarter of the year. The trend towards bigger stores by most High Street multiples has meant that at peak periods such as Christmas, a larger proportion of space can be devoted to toy sales with the higher turnover enabling further price cuts.

The supermarkets also devote a large proportion of their space at Christmas to toys. The lure is the substantially higher margins that can be obtained on toys. While specialist toy shops often have a gross mark-up of about 50 per cent—necessary because of the slow stock turn—the supermarkets can afford to have a much smaller margin, yet still make substantial profits.

The supermarket method of trading means that no attempt is made to match the specialist toy shop in the range of toys covered, or in personal service. Instead, the supermarkets offer a limited range of whatever toy happens to be in demand—more

Toys for adults and children. Video television games replace last year's skateboards in the popularity stakes

often than not one of the heavily television-advertsed games—that it can offer at a big discount. Many specialist shops do not bother to stock these toys in spite of the demand created by extensive advertising, because they know they cannot match the supermarkets and multiples on prices.

The specialist toy retailers bemoan the fact that people will often take advantage of their wider range and experience to choose the toys they want—and then go and buy them from a multiple or supermarket.

Not all the multiples, however, concentrate on heavily-discounted toys just at Christmas. W. H. Smith, for example, has carefully built up a big trade in small pocket-money toys.

A survey of toy retailers carried out by the Manchester Business School and sponsored by British Lego, found that many retailers put the blame on the manufacturers for opening up the trade to non-specialist outlets, and thus hitting the small shop. But larger stores are attractive to the manufacturer because they will take a larger guaranteed slice of production than numerous small retailers combined, as well as having the cash flow to offer early payment for a discount which helps the manufacturers' own cash flow.

But the increased sales by manufacturers to the multiples and supermarkets is double-edged. With the extra discount offered to the multiples, the manufacturers' gross margins are substantially reduced. Some manufacturers fear that the situation could develop along parallel lines to the food industry, where the squeeze on margins has forced processors to chase volume sales.

In addition, the multiples and supermarkets do not cater in any real way for the accessory market, which can often mean larger expenditure than for the original toy. For model trains and dolls, accessory expenditure is probably about £5 for every £1 originally spent. But the larger stores are unwilling to hold the larger range of stocks needed to meet this accessory market, especially since sales tend to be spread out rather than concentrated.

The specialist toy retailer is fighting against the pressures from the big stores. Some retailers have successfully specialised, to an even greater degree, in such toys as plastic kits or model trains, and have forsaken offering a broader range of general toys.

Others have banded together in voluntary groups on the buying side, to secure better bulk-buying terms from the manufacturers. A recent development has been the setting up of "Unigroup" to merge the buying operations of a number of the small buying groups.

Elsewhere, small chains of specialist toy retailers have become more common. Combined English Stores has developed the "Youngsters" chain, and the Maynards confectionery group has its Zodiac toys chain.

It seems unlikely, though, that the UK toy trade will see development similar to that of the U.S. where massive, hypermarket-size and style toy discounters have grown rapidly. One of the best known names in this field in the U.S. is a group called "Toys 'R' US."

But at least one specialist toy retailer in the UK faces few of the problems of the small shop. Hamleys, of Regent Street and Wigmore Street, is probably the most famous toy shop in the world. The store reports that toy sales this year have so far been even better than last year's bumper sales.

Profit forecast for National Freight Corp.

BY IAN HARGREAVES, TRANSPORT CORRESPONDENT

THE NATIONAL Freight Corporation expects to be back in the black at the end of this year for the first time since 1973.

Sir Daniel Pettit, who retires as the corporation's chairman at the end of the year, said that unless there were unexpected problems in the final days of the Christmas peak, there would be a small surplus after interest and all other charges.

At a trading level, profits are expected to rise to £20m in 1978, compared with £13.5m last year and £4m in 1976.

This is the only accurate comparison with last year's figures, as this year's Transport Act involved a capital reconstruction of National Freight from the middle of the year.

The reconstruction wrote down National Freight's capital debt from £153m to £100m and provided up to £15m of interest free capital. In addition, the corporation was relieved of some pensions and staff costs associated with its past connections with British Rail.

On top of this assistance in improving the financial picture, National Freight has done better than its own management was forecasting earlier in the year.

At that time, with details of the financial reconstruction still not settled, Mr. Peter Thompson, chief executive, said that the £18m trading profit needed to break even, in 1978 would place great and unfair strain on the corporation. It involved a 15 per cent return on capital, compared with the road haulage industry average of 11 per cent.

This forecast now seems certain to be bettered, with turnover rising between 2 and 3 per cent in real terms to well in excess of £400m.

This real improvement in trading volume has been achieved in spite of a continuing reduction in the corporation's traditional staple diet of general haulage. The contract hire and truck rental sectors, along with other diversifications, have continued to expand profitably.

None of the main National Freight Corporation companies has produced worse results than last year. National Carriers, in the past National Freight's biggest headache, is on course for a £2m trading profit, compared with £250,000 last year. British Road Services has also had another very good year.

BR ships division to be wholly-owned subsidiary

BY LYNTON McLAIN

BRITISH RAIL'S Shipping and International Services Division is to become a wholly-owned subsidiary company of the BR Board from January 1.

Mr. William Rodgers, Transport Secretary, who approved the formation of the new company, Sealink UK, said in answer to a Parliamentary question yesterday, that it would have to achieve a real return on its fixed assets of 5 per cent by 1982.

This is the first financial target to be agreed since the Government published its White Paper on nationalised industries.

Sealink is the largest short sea ferry operator in Europe.

BR's shipping division turned a £5m trading loss three years ago into a £9.1m trading profit last year and Mr. Rodgers has approved a £60m investment programme for it.

Sir Arthur Irvine dies

SIR ARTHUR IRVINE, former Labour Solicitor-General and MP for Liverpool Edge Hill since 1947 died yesterday aged 69.

Sir Arthur, a barrister, unsuccessfully contested two elections as a Liberal in the 1930s in his native Scotland before joining the Labour Party during the war.

He spent 20 years on the Labour back benches, serving as chairman of the Select Committee on Procedure from 1964 to 1965. Sir Harold Wilson appointed him the Government's junior law officer in 1967, a post he held until the Labour defeat in 1970.

Sir Arthur, a former Recorder of Colchester, had been pressed to retire by members of his local party during the last few years. He announced recently that he would retire at the next General Election.

Sir Arthur's death brings the number of by-elections pending to three. Apart from Edge Hill, where Labour has a secure majority, two safe Conservative seats at Clitheroe and Knutsford are vacant.

Harland & Wolff faces more than 1,000 claims

BY OUR BELFAST CORRESPONDENT

HARLAND AND WOLFF, the Belfast shipyard, is facing more than 1,000 claims for compensation for industrial deafness.

The publicly-owned company said yesterday that its experience in the courts was the main reason for having to make provision of £6m in its accounts for future claims from employees and former employees. It said the average amount awarded by Ulster courts in the seven cases so far heard was £10,000.

Harland and Wolff has been able to arrange only partial insurance cover, according to Sir Brian Morton, the chairman, in the annual report published this week.

It showed that the loss on work carried out in 1977 was £7.8m on turnover of £65.2m against a loss of £648,000 on turnover of £79.4m in 1976.

After release of £2.8m of a 1976 provision for estimated cancellation costs, a release from provision of £9.8m for estimated prospective losses and taking into account the new provision of £6m for deafness claims, the company's net loss for 1977 was £1.9m against a 1976 surplus of £2.6m.

● The salary paid to Mr. Ivor Hoppe, former managing director of Harland and Wolff, did not infringe exchange control regulations, Mr. Don Concannon, Northern Ireland Minister of State, said in a Commons written answer yesterday.

Compensation plea renewed

By Our Shipping Correspondent

A RENEWED PLEA for fair compensation for the assets of shipbuilding and aircraft companies nationalised 17 months ago came yesterday from Sir Eric Yarrow, chairman of Yarrow (Shipbuilders).

Sir Eric, said that the word "fair" had been used many times in Parliament during debates on compensation. Yarrow in one of several com- Yarrow is one of several companies with Government negotiators over compensation.

UNIT TRUST OFFERS

Centrovincial sells AMA building for £13.9m

BY CHRISTINE MOIR

CENTROVINCIAL ESTATES, one of the many UK property companies which ran into problems over overseas expansion during the early 1970s, yesterday announced the sale of its U.S. flagship, the AMA building in New York, for $27.5m (£13.9m).

Centrovincial paid $26.5m — then worth £11m — for the building in 1973. At that time it expected to receive at least £145,000 net revenue from letting the 22-storey 682,000 square foot building, after servicing a $19m 7 per cent mortgage and a further $5m of short-term bank loans.

By the beginning of this year, however, Mr. J. Gold, Centrovincial's chairman, admitted that rising interest rates in the U.S. plus vacancies in the building had led to a revenue shortfall.

Similar shortfalls in Australia led to a total overseas pre-tax deficit of £726,000 in the accounts for the year to March, more than offsetting the profits from UK properties.

Since then the company has been disposing of the overseas properties, and believes that this will strengthen the group's performance.

The proceeds of the sale of the AMA building will go to repaying the $16.5m mortgage still remaining. A further $5m will be used to reduce short-term bank borrowings in the U.S. which, at the year end, amounted to £5.2m, according to the latest accounts.

Europe banks to set up council

BY MICHAEL BLANDEN

THE BIG banks in eight European countries are setting up a new organisation aimed at making transfers of cash between countries easier and more efficient.

The banks have agreed to set up a European Council for Payment Systems. It will consist of senior executives of banks, banking associations and other financial institutions from the UK, Germany, France, Luxembourgh, the Netherlands, Ireland, Switzerland and Belgium.

Mr. Jeff Benson, chief executive of National Westminster and chairman of the London clearing banks' chief executive officers' committee, has agreed to be the first president.

The purpose is to pursue the orderly development of payments systems in Europe and to achieve the compatibility of systems developments and services. It is hoped the council will facilitate international transfers of money and bring benefits to customers.

Invitations are being extended to other countries in Western Europe. The council will develop the co-operation which began with the establishment of the Eurocheque system 10 years ago, and will extend it into wider fields such as credit cards, travellers' cheques and cash dispensers.

Company audit proposal is criticised

By Andrew Taylor

A PROPOSAL that British companies should be required by law to appoint audit committees was criticised yesterday by Mr. Hunter Smart, president of the Institute of Chartered Accountants in Scotland.

The Government is asking City institutions whether they would like to see such legislation included in the Companies Bill when it reaches the Report Stage.

This follows amendments to the Bill, proposed by Sir Brandon Rhys Williams, Conservative MP for Kensington, which would require major companies to appoint audit committees and at least three non-executive directors.

Builders call for State to finance more projects

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

LEADERS of the construction industry yesterday repeated their call to the Government for a substantial increase in public expenditure on building, which they claimed "remained unrealistically low."

In a meeting with Mr. Peter Shore, Secretary for the Environment, representatives of all sectors of the industry and associated professions—the so-called "Group of Eight"—pressed their long-standing claim for higher levels of construction spending.

They told the Minister that despite 1977 measures aimed at restoring some earlier construction cuts spending was not enough to stop further deterioration in the industry.

The group, in calling for an early increase in expenditure, spoke against further reductions in the Government spending budget which might be considered necessary as part of a new economic proposal to deal with inflation.

It said that continued restraint in public expenditure programmes had not, as the Government suggested, stimulated any significant compensating upturn in the private sector. The situation did not constitute a policy that would allow the industry to re-muster and conserve its key resources.

Shell gives go-ahead for olefins plant

By Sue Cameron, Chemicals Correspondent

SHELL CHEMICALS has given the go-ahead for the building of a £75m higher olefins plant at its Stanlow complex in Ellesmere Port, Cheshire. It is scheduled to come on stream in 1981 and provide 100 jobs.

Plans for the plant, which will have an annual capacity of 175,000 tonnes were first put forward in September last year when the cost was set at only £50m. The latest estimated price therefore represents a 50 per cent increase in costs.

The main reason Shell Chemicals has decided to approve the construction of the new Stanlow plant is its need to ensure supplies of higher olefin feedstocks for its downstream operations.

Higher olefins go into the making of plasticisers, detergents and lubricant additives. Shell Chemicals makes all these products at its existing Stanlow complex and it also manufactures detergents at Shell Haven on the Thames estuary in Essex.

The higher olefins C6 to C18 that are used in the making of detergents, plasticisers and lubricant additives are normally produced from wax which in turn comes chiefly from the heavier crude oils. But oil refineries are now being increasingly geared to the lighter oil products and Shell Chemicals fears there will be a shortage of wax and that it will also go up in price.

The company is having to import its C6 to C18 olefins—mainly from its own plant in Holland—but the new addition to the Stanlow complex will make this unnecessary.

Arts centre estimates approved

THE City of London Common Council has approved estimates for the completion of the Barbican Arts and Conference Centre, despite completion costs having increased by £24m to £82m in three years.

FINANCIAL TIMES CONFERENCE ON INFLATION ACCOUNTING

Exposure draft wanted by April

FINANCIAL TIMES REPORTER

THE INFLATION Accounting Steering Group is working hard to have a new exposure draft on the subject published by the end of April, Mr. Douglas Morpeth, the group's chairman said yesterday.

Making the closing speech to the Financial Times Inflation Accounting Seminar he urged delegates not to forget that directors of companies are charged by the Companies Acts with presenting true and fair accounts to their shareholders. "How long can they continue to fulfil this obligation by presenting financial statements only on a historical cost basis?" he asked.

"It has become clear that it is not possible to change a whole well tried method of accounting overnight and so the whole progress must be slowed down.

"The proposals in the new exposure draft will have to take into account the submissions made on ED 18, the comments on the interim recommendation and a great deal of further thought by the steering group."

He said that while the steering committee had not yet completed its own thinking, the proposals it was likely to put before the Accounting Standards Committee for inclusion in the new exposure draft included a requirement that a current cost accounting statement—involving both a profit and loss account and a summarised balance sheet—be part of corporate financial statements.

The proposals will not apply to small businesses—provisionally defined as those having a turnover less than £5m—and some special types of quoted and large companies (such as investment trusts) which would also be exempted.

"There is no time scale being laid down for any change from historic cost accounting as the main accounts to CCA," he said. "When users are paying greater attention to and focusing on the CCA accounts rather than the HCA—this may be the time to consider changing."

Mr. Morpeth said the steering group's aim was to make the new proposals for a standard short and simple. As a result, the exposure draft will set out the principles and objectives of CCA, the scope, exceptions and allied matters.

Turning to the CCA profit and loss account, he said the proposals would start with the historic cost profit calculated in the historic cost accounts and make adjustments for additional depreciation, further cost of sales adjustments and an adjustment for monetary working capital.

Mr. Shaun O'Malley, a partner with Price Waterhouse in the U.S., speaking during the morning session, indicated that the U.S. accounting bodies are on the brink of an announcement about accounting inflation principles.

"The Financial Accounting Standards Board is expected to issue an exposure draft before the end of this year which will permit the use of two alternatives for inflation accounting," he said. "The first would be the general purchasing power indexing called for in its 1974 exposure draft. The second would be to apply the general purchasing power approach but to substitute replacement cost for plant and equipment and inventories both in the balance sheet and related income statement computations.

"In either case the information would be supplementary disclosures not affecting the primary financial statements. The new pronouncement is expected to apply only to companies registered with the Securities and Exchange Commission which have inventories and gross property, plant and equipment which aggregate more than $100m.

He said that the U.S. authorities and the industry would be closely observing the UK experience, particularly the reaction of the stock market to the April exposure draft.

Mr. Michael Lafferty, of the Financial Times Lex Column, reviewed the progress being made on inflation accounting principles around the world, with particular emphasis on English-speaking countries and Europe.

"If we look at the English-speaking countries, there is some evidence that ideas are converging," he said. "The consensus seems to be that inflation accounting should now be progressed in the form of supplementary data—leaving the main accounts on the historic cost basis."

Turning to Europe, he drew upon information being compiled by the Financial Times for a survey on the accounts of the 100 largest industrial companies, to give an indication of the degree of Continental interest in the subject.

"The enthusiastic countries appear to be Holland, Sweden and to a lesser extent, Switzerland. There is little interest in Germany and none in France. So we must conclude that there is little prospect of an EEC inflation accounting directive in the foreseeable future."

Mr. Kenneth Sharp, head of the Government Accountancy Service, spoke about the problem of inflation accounting for small UK companies.

He said that a proposal being considered by the small companies working party set up by the Inflation Accounting Steering Group is that, for smaller businesses, there should be only one set of accounts which would contain both historic and current cost information.

"The balance sheet presents a more difficult problem. There are two alternatives: one is to have a historical cost balance sheet with CCA figures annotated and the alternative, a CCA balance sheet with the historical cost figures annotated."

He said the second option would provide the most useful information in a more easily comprehensible form.

Looking at inflation accounting treatments from the point of view of the banking community, Mr. Bill Hewitt, director and general manager, financial control division of National Westminster Bank, said that the banks simply wanted recognition of their need to maintain an acceptable ratio between their "free" capital and their monetary assets.

"By 'free' capital, I mean a margin of capital resources over and above those committed to the infrastructure of the business, and embodied in premises, computers, equipment and so on," he said.

Chairman of the final day of the seminar was Mr. Ken Gardner, finance director of Dunlop Holdings. Mr. Martin Haslam, a partner in the accounting firm, Keymer Haslam, developing the question of whether an inflation accounting standard was necessary, suggested that the time spent debating inflation could better be spent concentrating on the major aspects of the business world.

Unified pay system rejected at British shipbuilders yards

BRITISH SHIPBUILDERS yesterday suffered a severe blow when its second biggest union threw out proposals for a unified pay bargaining system.

The decision by a conference of 40 shop stewards in the General and Municipal Workers Union almost certainly means the end of any hope of clearing up the present untidy system of individual yard bargaining this year.

The Boilermakers' Society, which has the largest union membership in the industry, will be considering the plan at a conference early in the new year. In this union too, a powerful lobby in favour of retaining the current structure is expected to emerge.

Proposals put forward last month by a joint working party composed of representatives from British Shipbuilders and the Confederation of Shipbuilding and Engineering Unions would have introduced a common date for annual pay negotiations covering all the nationalised industries' 29 shipyards.

At present each yard conducts its own negotiations over a long period extending from July to May giving scope for variations in productivity and fringe benefit deals. Basic pay increases are at present loosely tied to the engineering industry national agreement.

Among the chief objections to the proposals is the recommendation for a minimum earnings level. The formula offers an £80 minimum to skilled workers and would mean that some would have to forgo an annual pay rise apart from productivity bonuses for up to two years.

The GMWU, which represents mainly the semi-skilled and manual workers among the total 33,000 merchant shipbuilding labour force in British Shipbuilders decided not to join the overtime ban called from January 1 by the Boilermakers' Society executive.

Mr. Ken Baker, GMWU national secretary for the industry, said yesterday that an overtime ban could damage existing orders since contracts were often now given on the basis of time as much as of price.

Garage workers accept £4.50 pay offer

AGREEMENT has been reached between employers and unions represented on the National Joint Council for the Motor Vehicle Retail and Repair industry on a comprehensive pay and conditions settlement for skilled and other garage workers.

The agreement—effective from next month — provides for general weekly pay increases for all adult workers concerned of £4.50 skilled; £3.50 limited skill and £3 non skilled.

In addition, new minimum weekly rates are established for the industry's main groups. These range from £61, skilled workshop employees, to £45, forecourt employees.

BP drivers plan to strike with Shell and Esso men

BY NICK GARNETT, LABOUR STAFF

A NATIONAL meeting of shop stewards representing tanker drivers and depot workers at British Petroleum decided yesterday to strike from January 3 in line with decisions at Shell and Esso, unless the company improves its pay offer.

The BP stewards also decided to impose an overtime ban from Monday and to ban the use of private oil haulage contractors using BP materials, from the same date. This will be done by instructing depot workers not to load or unload private haulage tankers.

Esso stewards have instructed their tanker drivers to ban overtime from Monday and reaffirmed the decision to strike from January 3.

Mr. Jack Ashwell, the Transport and General Workers' Union national secretary for transport, said the ending of the Government's sanctions policy had hardened the attitude of the shop stewards to press the tanker drivers' pay claim.

Yesterday's decisions followed rejections of a third pay and productivity offer made by Shell. Union negotiators have rejected a similar offer made by Texaco. Tanker drivers at Mobil have also rejected the company's offer in spite of a recommendation from negotiators to accept.

The drivers have been seeking a pay claim which the union values at 30-40 per cent and the companies at more than 50 per cent.

It includes an increase in the basic rate of £75 to £90 and a rise in the rate—about £59—on which overtime and shift payments are calculated, to £90.

Most of the big companies have offered a new basic rate of £80 and a £76 calculator, but this is tied to improvements in working practices to form a productivity deal. Elements in the productivity schemes include tighter journey scheduling, but they have been rejected by the union.

Mobil's pay offer, also linked to improved productivity, is valued at between 11 and 14 per cent on earnings by the union. Offers by the other companies are thought to be worth about the same.

Barrister says ACAS abdicated responsibilities

BY NICK GARNETT, LABOUR STAFF

THE ADVISORY, Conciliation and Arbitration Service was accused yesterday in the Court of Appeal of abdicating its legal responsibilities and settling for "peace at any price" in a decision over union recognition.

The accusation was made by Mr. Bernard Marder, QC, representing the United Kingdom Association of Professional Engineers.

He was speaking on the final day of an appeal by ACAS against a High Court judgment that the service had "misdirected itself" in law by failing to recommend recognition, despite strong support, of the non-TUC affiliated union.

Mr. Marder told the court that ACAS was entitled in law to take into account a number of broad issues when it was making a recommendation on union recognition.

These included the effect on existing negotiating machinery and that recognition of a particular union might lead to industrial strife.

Mr. Marder said, however, that ACAS had disregarded all other factors but these in its decision. It had "circumscribed" its discretion by deciding that whatever were the merits of the UKAPE case, recognition for that union was inconsistent with existing union-management negotiating machinery and therefore recognition could not be recommended.

This represented a "binding pre-condition" and was "unlawful circumscribing" of the service's discretion.

The effect of this was that the decision was not left in the hands of ACAS but in those of the strongest parties who threatened industrial action if certain unions were recognised. Mr. Marder referred specifically here to TASS, the white collar section of the Amalgamated Union of Engineering Workers.

The service had thrown its hands up and said that because one group threatened industrial action if UKAPE was recognised, it could not recommend its recognition.

Judgment was reserved.

In the wake of the Lawson judgment

NEWS ANALYSIS

●

Philip Bassett reports on the injunction granted to Express Newspapers

TAFF VALE, like the sacred word Tonypandy in the Commons a few weeks ago by Mr. Callaghan, is a name to raise the hackles of every trade unionist who has a sense of history.

The 1901 case, in which the House of Lords determined that damages inflicted by a trade union's officials could be charged to the funds of a union, sprang to the lips of Mr. Denis MacShane, president of the National Union of Journalists, as he left the High Court on Thursday.

Express Newspapers had just obtained an injunction ordering the union to lift its instruction to Express journalists that copy from the Press Association news agency should not be handled, in support of a national strike over pay by 9,000 provincial journalists.

The pay issue seems likely to resolve itself now that the Cabinet has decided to abandon its policy of imposing sanctions against companies who break the Government's 5 per cent limit.

The Newspaper Society, the provincial newspapers' employers' body, has, in the light of the Cabinet move, decided to review its position on its 8 per cent offer.

A sufficiently increased offer could be expected to bring about a return to work in the provinces and would remove what the NUJ sees as the need to black PA copy. The injunction would then be effectively exhausted, and the NUJ would have no need to appeal on the dispute itself.

But the TUC, realising the wider implications for trade union sympathy action over the judgment by Mr. Justice Lawson, is prepared to take over the appeal on a point of principle if the NUJ lifts the blacking: the TUC has a backlog of grievances over sympathy action which general council members would like to see resolved.

Trade unionists thought the freedom to black and take sympathetic action was secured in the Trade Union and Labour Relations Act 1974, and the Employment Protection Act, —hence the Labour Government's part of the social contract which made possible two years of voluntary restraint.

Some Labour lawyers saw the judgment yesterday as the most important restriction on trade union activity that the courts had imposed for years.

The central feature of the Lawson judgment was that trade union solidarity did not of itself legitimise a trade union's action nor give it the protection afforded by those clauses of the 1974 Act.

The Act says that an act done "in contemplation or furtherance of a trade dispute shall not be actionable in tort." Mr. Justice Lawson not only ruled that the only trade dispute in the case was the one between the NUJ and the Newspaper Society, not those between the NUJ and the PA or the NUJ and the Express, but placed a great restriction on the interpretation of the phrase "in furtherance."

He said: "A tortious act committed merely for the sake of solidarity; is that a tortious act which can be seen to be in furtherance of a trade dispute? I don't think the answer to that question can be yes."

A further restriction on injunctions, in an amendment to the Act contained in the Employment Protection Act, makes it clear that the granting of an injunction must take into account the liklihood of the party succeeding at a trial.

But Mr. Justice Lawson seemed to dismiss that restriction by telling the NUJ that though they had a good argument for a defence under Section 13 of the Act which allows for acts in "contemplation or furtherance" of a trade dispute, it was "perhaps less likely" that the union would succeed with that defence at a trial.

In the case of such injunctions, though, it is almost unknown for the case ever to proceed to a full trial; the union's defence of "likelihood," therefore, is to some extent academic.

The implications of the decision, which the TUC is considering, and—according to a letter yesterday from Mr. Len Murray, TUC general secretary, to the NUJ—is "exceptionally concerned" about, are widespread.

According to the Lawson judgment, for example, action taken to ban imports by members of the Transport and General Workers' Union in the recent Ford strike to help the stoppage would seem to be without the protection of the Act.

One possible way out of the dilemma raised by the Lawson judgment, which TUC legal advisers are certain to be examining, is the provision in the 1974 Act which recognises that a trade dispute can be not only between employers and workers, but between workers and workers.

In this particular case the NUJ could have argued that there was a trade dispute between its striking provincial members, its striking PA members and its national newspaper members carrying out the blacking and the non-striking NUJ members of the PA; though any union concerned either with pressing a single dispute such as this one or preserving some kind of single front would be unlikely to be keen to take up that provision.

The implications of the Lawson judgment for the freedom the trade union movement believes it has not only won but has had formulated into law are seen as serious and widespread.

It took five years for the results of the Taff Vale case to be dispelled, and that only by an Act of Parliament. The question the trade union movement will have to decide is how seriously it takes the repercussions of the Lawson judgment and how far it will have to go to avert them.

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THE WEEK IN THE MARKETS

Bid activity takes off

English Property Corporation has been cut down to size by this week's £40.4m takeover bid by NV Beleggingsmaatschappij Wereldhave. The cold print of *a 37p a share cash offer forces* investors to look through the balance sheet gymnastics that support EPC's status as a £770m property giant to the grim reality of a group where the effects of over-gearing have seriously eroded shareholders' *funds.*

EPC will probably defend itself from what it will describe as an opportunist bid by revaluations showing how the strong recovery in the property investment market since its 1977 valuations have boosted attributable assets. *It will no doubt point* to a heavy property sales cutting debts and stemming the £12m a year revenue drain. And if it can be assured of Eagle Star's support, that institution's 27.2 per cent shareholding will be a major stumbling block to the Dutch group's ambitions.

A defence by EPC can realistically argue that the recovery is under way. But such a defence will need to give a clear idea of how long shareholders will have to shiver on interest rate changes, how much of a hole in the number of the group's remaining development commitments will make, and what the board expects to have to offer at the end of the day. Otherwise cash, even a little cash, may prove more appealing than further glimpses of an accounting mirage.

ABM bags Smiths

The 58-year-old Smiths crisp and snack business is poised to return to British hands after an 11-year gap. Dr. Keith Bright, chief executive of Associated Biscuit Manufacturers, revealed this week that his group has agreed to buy Smiths for £16.4m cash from General Mills Incorporated, the U.S. foods group.

The deal will provide Smiths products—generating an annual turnover of around £65m—with access to Associated's retail distribution network, enabling the group to compete with rival products like Golden Wonder and KP nuts which have made substantial inroads in the important supermarket and grocery trades.

Smiths which at one time claimed 80 per cent of the UK crisp market—before the introduction of ready-salted crisps from Golden Wonder—now says it has 26 per cent of the market compared with Golden Wonder's 30 per cent.

Crisps generate 50 per cent of group sales, maize-based snacks another 30 per cent and nuts under the Big D brand label 20 per cent. However performance has been poor recently and last year the group incurred a £261,000 pre-tax loss, although profits of £2.2m are forecast in the current year.

It remains to be seen whether Associated will be able to make significant progress with Smiths—which claims 26 per cent of the total snacks market—in the grocery retail trade. General Mills did not make much of a job of it, for all its size.

LONDON

ONLOOKER

Brewery profits

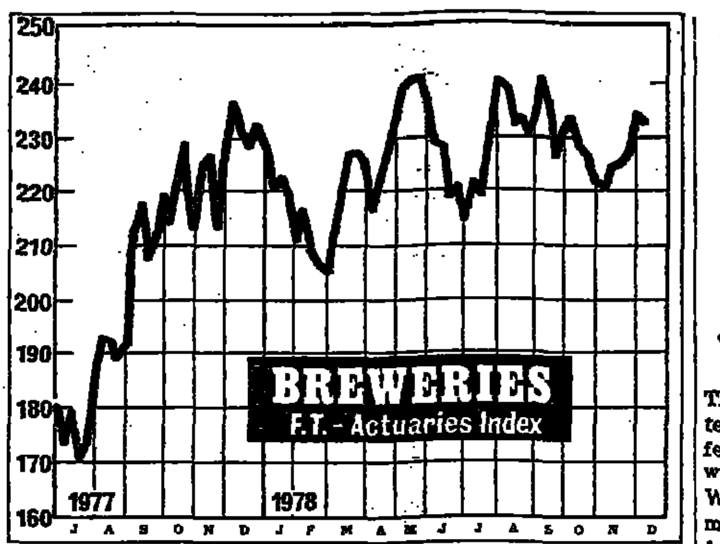
Followers of the drinks sector have been kept busy this week trying to wade through the wave of results coming from the brewers. For the most part the figures that have been produced over the past five days have lived up to expectations—the one exception is regional brewer, Greenall Whitley.

Bass Charrington heads the list and it produced pre-tax profits of £105.5m against £90.4m. Taking out property sales profits are higher by just over a tenth and the message *is that the trend is continuing strongly into the current year* helped by the mild autumn weather.

Greenall, on the other hand, disappointed the City. Profits rose £1½m to £11.5m—below most analysts' forecasts. But the *main problems* of Greenall were beyond its control. Over the past few weeks there have been several sets of figures which have fallen short of expectations. Border, Higsons, Boddingtons and Matthew Brown have all disappointed to varying degrees. The answer can be found in the geographical location. The north-west has evidently had poor weather and beer sales have come under pressure.

But the market should not give up on the regional brewers *yet. True, some of their volume* gains have not been transmitted through to profits, but there are still a few good performers around—Vaux for one, where profits were 31 per cent higher.

The question now is how the brewers will fare when they try *for price increases in the New* Year. Increases at the retail end of 2p or 3p a pint are possible starting points but whether the Prices Secretary, Mr. Roy Hattersley, will allow that sort of increase is a moot point.



ICL on target

ICL satisfied the analysts' optimistic forecasts by coming up with pre-tax profits 24 per cent higher at £37.5m even after a sharply higher interest charge—the result of the need to finance export deals and increased work in progress.

On a world basis, sterling prices of computer equipment have barely moved in the last year, which means the growth is almost entirely due to higher *volume.* With the market continuing to expand strongly, the group is looking for growth of 20 per cent or so this year as well.

ICL has to make repayments to the government, under the terms of the R&D help it has received, if pre-tax margins after deduction of associates reach 7½ per cent. They are still not quite at this level, so all net earnings—79.42p a share—are retained. The tax charge, reduced by the heavy capital spending and stock relief, was only 28 per cent—mostly overseas tax—which the company considers rather low: future years are likely to show a charge of something between 28 and 38 per cent.

With the shares, which have undergone a thorough re-rating this year, up at 453p the p/e on this reported basis is only 5.6, although it is 8.4 fully-taxed. These are very much historic figures, however, and despite the yield of only 2.6 per cent many brokers think the shares are still attractive.

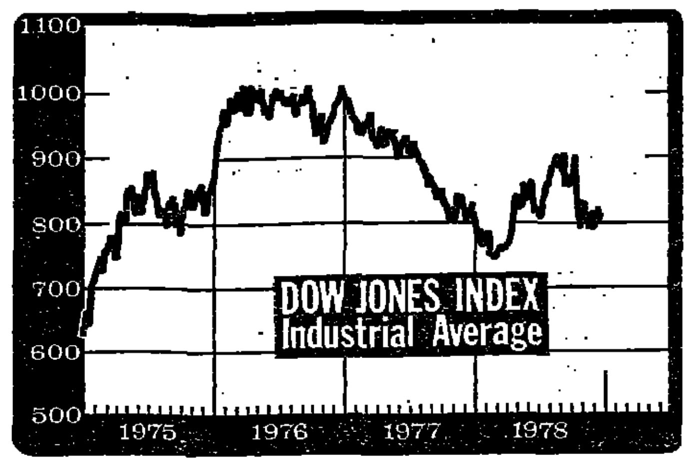
MARKET HIGHLIGHTS OF THE WEEK

	Price Y'day	Change on Week	1978 High	1978 Low	
Ind. Ord. Index	481.0	−12.3	535.5	433.4	Lack of buying interest
Alginate	370	+138	375	220	Agreed cash bid from Merck Inc.
Beecham	615	−22	726	581	Small sales on unwilling market
Borthwick (T.)	72	+ 6	73	45	Good second-half results
Braithwaite	104	−10	150	98	Lower half-yearly profits
British Enkalon	18	+ 5	18	10	Persistent country buying
Charter Cons.	140	+ 9	172	119	Rumours of reorganisation
City Hotels	178	+59	178	73½	Agreed bid from Comfort Int'nl.
De Vere Hotels	174	+15	176	148	Revived bid speculation
Dowty	264	−15	304	152	Fading bid hopes
EMI	142	− 9	190	130	Scanner problems continue
English Property	39	+ 3¼	51	27	Unwanted bid from Wereldhave
Ferranti	355	−27	405	280	Disappointing interim figures
Gibbons (S.)	298	+86	300	160	Agreed bid from Letraset
Minorco	162	+15	207	126	Rumours of reorganisation
Preedy (A.)	76	− 7	89	71	Sharply reduced int. profits
Reckitt & Colman	460	−15	530	392	Small sales on unwilling market
Redfearn Nat. Glass	275	−10	327	262	Second-half trading setback
Sketchley	138	+ 9	138	95¾	£4.5m NCB contract
Westinghouse Brake	90	+28	92	42	Agreed bid from Hawker

U.K. INDICES

Average week to	Dec. 15	Dec. 8	Dec. 1
FINANCIAL TIMES			
Govt. Secs.	68.80	68.87	68.52
Fixed Interest	70.16	70.20	69.95
Indust. Ord.	483.5	490.9	486.3
Gold Mines	134.3	128.5	125.7
Do (Ex $ Pm)	97.9	94.9	94.3
Dealings mkd.	4,071	4,380	4,248
FT ACTUARIES			
Capital Gds.	237.91	239.88	235.13
Consumer (Durable)	211.91	211.15	207.00
Cons. (Non-Durable)	211.22	212.59	209.84
Ind. Group	221.46	223.05	219.56
500-Share	246.04	248.26	244.90
Financial Gp.	169.82	171.70	168.12
All-Share	225.17	227.19	223.89
Red. Debs.	55.10	55.13	55.17

Driving away fears



THE SOUND of investors battening *down the hatches for* fear of approaching stormy weather came clanking out of Wall Street this week. No matter that across the street from the Stock Exchange the traditional Christmas tree was casting *its festive light* over the scene, Wall Street's mood is anything but festive.

One sign of the tight-fisted atmosphere that pervades the investment community has been the figures for the volume of shares traded. Throughout the week barely over 20m shares have changed hands each day—a far cry from the over 40m which frequently changed hands during the surge in share prices earlier in the year.

That period drove away, at least temporarily, fears that the Street would see more forced mergers of securities houses and more unemployment among stockbrokers and analysts. For the past two months now the volume figures have been disappointing, and *stockbrokers* commissions commensurately thin at a time when the costs of doing business continue to rise. Before long, unless trading picks up substantially in the New Year more securities houses will be closing down or merging.

Last month, of course, Weeden and Company, burdened with heavy losses announced that it was merging with a Boston securities firm Mosely Hallgarten and Estabrook. This week there was more bad news. Stern Lauer, an old line bond and securities house founded back in 1898 said that it too was going out of business as a reappraisal of revenue and related expenses. Bear Stearns *is to take on some of its operations* and about one-third of its staff.

There have been other indications of discomfort in the market too. Each day, for example, a lengthy new list of companies hitting share price lows for the year has been appearing, accompanied with a very much smaller list of new highs. The Dow Jones Industrial Average, and the other broader Stock Market indices have been generally weaker.

The main problem for the market has been the growing fear that inflation will show little sign of slowing down until towards the end of next year at the best.

Investors in shares have only had to watch the slump in the bond market over the past two weeks to realise just how big a problem some of the biggest hitters on the street fear inflation will continue to be. The bond market is perhaps the *most sensitive sector of the* investment community so far as inflation is concerned.

On Tuesday the equity market demonstrated its anxiety on this issue when, in response to a *forecast from investment* bankers Salomon Brothers that, among other things, inflation could run at the double digit rate next year, share prices temporarily slumped.

NEW YORK

BY STEWART FLEMING

These fears have of course been reinforced by political worries associated with the unrest in Iran. The longer term concern about Iran centres of course on the implications of events there for U.S. influence in the Middle East. The shorter term unease stems from the *suspicion that the Administration* has been caught napping again, never a very reassuring discovery, and that in addition, the Iranian situation could have an impact on the oil price increase which OPEC's members are expected to decide upon this coming week-end. The market is beginning to discount the prospect of a 10 per cent rise in oil prices next year, an increase which will clearly have a significant impact on the rate of inflation. Some economists suggest that it could add up to half a point on the inflation rate.

The Administration's decision in mid week to weaken the impact of its wage and price policy by allowing substantially higher wage increases for workers who have big fringe benefit packages in their contracts, and the growing realisation that a recession next year *will make it even harder to* trim the budget deficit, have *also contributed* to Wall Street's anxieties. A recession will of course trim the Treasury's tax revenues but not Government spending.

The catalogue of bad news is, as you can see quite a long one, so it is as well to emphasise at this point the brighter side too. The most significant development perhaps is that the market has stood up impressively to the bolts which have been slung in its direction and although share prices have been weakening the erosion has been slight. In spite of the $11bn of bargin debt which is still overhanging share prices (reduced from $12m in October) no selling wave has hit equities. Institutional investors, while clearly not anxious to get too heavily committed must feel that for the time being they are liquid enough. The common view seems to be that while the beginning of the New Year could have some unpleasant surprises in store, chief of which *could be a further rise in* interest rates, prospects later in the year are looking brighter.

CLOSING INDICES

Monday	817.65	+5.80
Tuesday	814.97	−2.68
Wednesday	809.86	−5.11
Thursday	812.54	+2.68
Friday	805.35	−7.19

Poor man gath'ring fuel

SOUTH AUSTRALIA was recently described as a potential "peasant state"—no doubt much to the annoyance of its inhabitants—in an article which drew attention to the need for new developments to maintain the state's momentum. And to provide work for the sizeable number of men unemployed there.

However, if a latter day King Wenceslas looked out on the scene at Roxby Downs near Andamooka in South Australia *he would see good deal of fuel* being gathered to help the state through its economic winter. Painstakingly being drilled here by Western Mining is a massive deposit of copper uranium and gold-containing ore which could become the biggest underground mine in Australia.

Nobody knows just how big a find has been made. At the Western Mining meeting in October the chairman, Sir Arvi Parbo, could only say that "the more we drill, the bigger it is *getting." It is known* that the drills have encountered huge ore widths (or thicknesses) in excess of 100 metres over a strike length of several kilometres.

There is also no telling what the average ore grades might be, although drilling results have been disclosing acceptable values of around 2 per cent copper with uranium going to better than one pound uranium oxide per tonne, while there has been a good grade gold assay of 13 grammes. Guesses of the size of the deposit have ranged up to 500m tonnes.

These days the capital cost of establishing a major mining and processing operation to deal with a deposit of this size could be more than A$1bn (£577m). Western Mining is thus looking *for powerful partners and this* week it has been reported that eight international natural resource giants are putting in their bids for a stake in the project which has been named Olympic Dam.

They are thought to include **Amoco, Atlantic Richfield (Arco), British Petroleum, Esso, Mobil, Shell, Broken Hill Proprietary and Utah International.** Several months of negotiations with the bidders will probably take place before Western Mining is likely to make its choices which, incidentally, will have to fit in with Australia's guidelines on foreign investment.

A complicating factor is Australia's love-hate relationship with uranium. The mining, let alone *the export of the material* is subject to so many restraints that only one of the country's big new uranium finds — the Ranger deposit of Peko-Wallsend and EZ Industries—can be said to be on the road to production.

The present attitude in South Australia is that uranium output should be stockpiled. From a federal standpoint, the Australian Government is in favour of developing the country's uranium resources, but the opposition Labor Party is against any mining of the material.

On the other hand, the Olympic Dam mining partners are unlikely to countenance the cost burden of stockpiling uranium and mining the deposit for its copper and gold alone. So we have a situation building up whereby the state must choose between ideology and jobs. Bearing in mind that plenty of uranium is being produced elsewhere in the world, the Australian anti-uranium lobby will be hard put to talk its way out of this one.

MINING

KENNETH MARSTON

Memories of the wild and wicked Australian nickel boom have been stirred this week by the interesting spectacle of **Poseidon** rising from the depths of despair. Shares of this one-time "wonder stock" soared from a few shillings to an awesome £124 in the two years to early 1970 on the strength of the company's nickel find at Mount Windarra in Western Australia.

By the end of October, 1970, the nickel market had collapsed. Burdened with heavy losses Poseidon was placed into the hands of the receiver and dealings in the shares were suspended at a price of 75p. It seemed that they would become valueless.

Subsequently, the stake in the mine was sold to **Shell** and more recently money has been raised to repay debts with the result that last week the company came out of receivership. It also announced plans to raise money via a one-for-one rights issue at 20 cents (11.5p) and this week Poseidon shares returned to the price lists, trading up to 58p on Thursday.

The company's remaining major asset is a 47 per cent stake in the profitable gold producing group, **Kalgoorlie Lake View.** Last night Poseidon shares closed at 54p which values the company at over £4m. Whether this is a fair valuation remains to be seen, *but I cannot help feeling that* memories of the shares' past meteoric rise have more to do with the current price than sober investment considerations.

All we need now is to learn that Poseidon is joining the diamond exploration stakes.

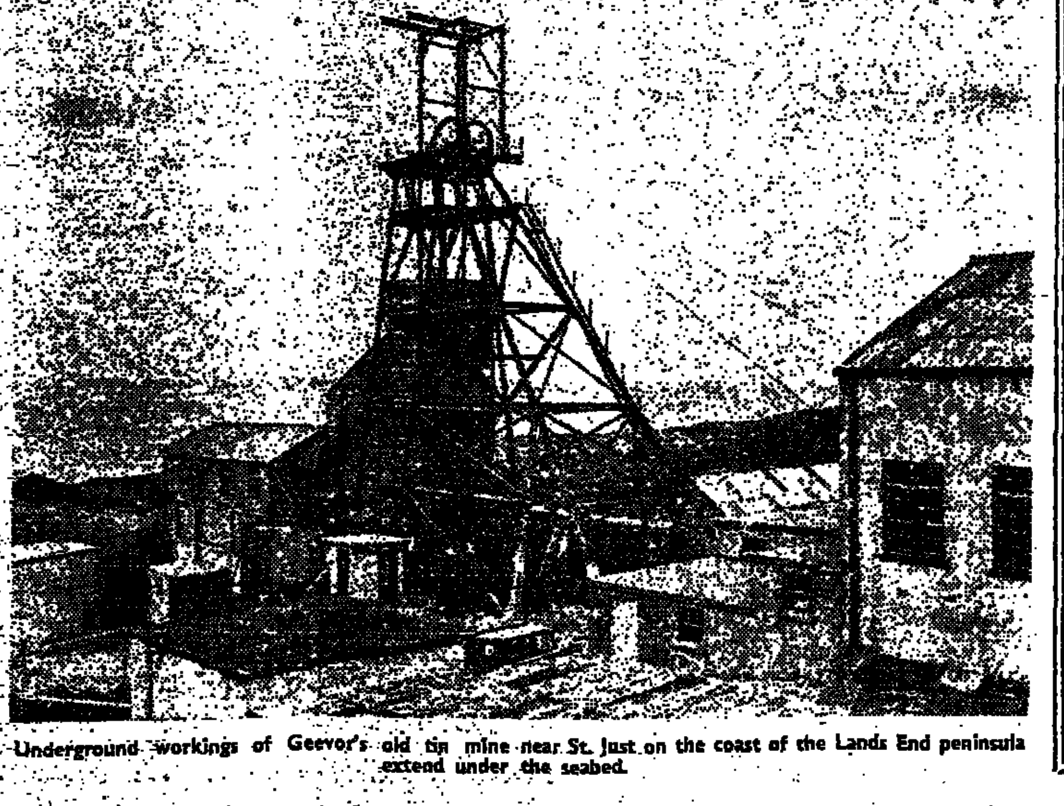
Also making a come-back this week have been South Africa's two low grade gold ore mines, **Durban Deep and East Rand Proprietary.** Thanks to the recent advance in the gold price both marginal mines have returned to the dividend list. *They are old mines but they* still have sizeable reserves of *low grade ore and are thus very* much a speculation on a further rise in the bullion price.

Although there was a good demand for gold at last week's International Monetary Fund auction of 470,000 oz, the price now has to face a much bigger hurdle of the proposed offering of 1.5m oz by the U.S. Treasury on Tuesday.

Probably because of the uncertainty facing gold prices—in the near term, at least—interim dividends announced this week by the mines in the **Consolidated Gold Fields** group have been well below market estimates which were based on the current level of earnings.

● **Beralt Tin and Wolfram** has declared a dividend of 4p based *on the 1977 earnings of the* Portuguese operating company. It follows the completed remittance from Portugal of Es 90m (£977,200) in six monthly instalments. Last year Beralt paid 2.5p from the 1976 earnings of the subsidiary and 1.25p from its 1974 earnings.

● Cornwall's two veteran tin mines, **Geevor and South Crofty** are still doing well. Geevor is raising its interim to 2.68p from the equivalent of 2.1p after allowing for the scrip issue made earlier this year. For the full year to March 31 a maximum-permitted total of 5.57356p is forecast. South Crofty has earned less in its first half but expects to do much better in the current six months and is raising its interim to 1.675p from 1.65p a year ago.



Underground workings of Geevor's old tin mine near St. Just on the coast of the Lands End peninsula extend under the seabed.

FINANCE AND THE FAMILY

Acquiescence by an owner

BY OUR LEGAL STAFF

About three years before I bought my house in 1971 it had been renovated and an external decoration of stone pillars was built over the side gate up to the wall of the neighbouring house, presumably with agreement of its owner who has recently died. Now the new owner states that my gate and pillars are encroaching on his property, which may well be so. How do I stand, please?

If the encroachment had existed for 12 years before it was challenged you might be able to continue it as of right on a claim to a squatters' title to the area encroached on, though it is arguable that the claim is for an easement, which would require 20 years. However, in either case you would probably have a good defence to any claim by the new neighbour arising out of the previous owner's acquiescence: see E. R. Ives v. High (1967) 2 QB 379.

Established use claim

Referring to your reply under Established use claim (October 21) can you tell me the Act which now governs the position relating to the old four-year rule? *Does your reply apply to a house, in the same way as a caravan?* Providing the four years' unlawful use was all before 1968 does any period of discontinuance of use since 1968 invalidate the acquired rights?

Section 87 of the Town and Country Planning Act 1971 contains the relevant provisions. It relates to dwellinghouses and to *land generally*. Discontinuance of a non-conforming use which could not be the subject of enforcement because of four years' continuance probably does put an end to the immunity from enforcement, so that the non-conforming use cannot be safely resumed, but the law on this is still unclear.

It is not child's play

In the article headed "It is not child's play" by David Wainman on page 6 of your issue of November 18, the last paragraph in the first *column indicates that tax on* the income of accumulation trusts set up for the benefit of infant children can be reclaimed if the children have little or no other income.

Some years ago I subscribed a small sum to a Unicorn Gift Plan for the benefit of my infant great-nephew. On the introduction of the 15 per cent investment income surcharge, I enquired whether the tax could be reclaimed as the child had no other income and was informed that since the 1969 Finance Act income tax relief in respect of income accumulated by the Trust was no longer given. This seems to be at variance with Mr. Wainman's remarks or have I misunderstood them?

The paragraph in question does not stand alone, but leads on to the explanation (at the top of the second column) that "the *measure of a child's income* from a trust whose trustees may accumulate . . . is the amount of the distributions actually made."

You may think it worthwhile inviting the trustees to consider exercising their power (assuming that they have such a power) to make income distributions to your great-nephew, so that *48 per cent tax can be recovered.* It is difficult to comment without more facts and figures, but any distributions during the current tax year should probably be limited to £59.80 (net).

Gains tax on Krugerrands

A friend purchased Krugerrands in 1974. Is it possible to take advantage of the exemption limit on chattels sold for £2,000 or less by making a partial disposal during the current tax year to the value of, say, £1,950?

No; foreign currency is excluded from the chattel provisions (by subsection 6(b) of section 30 of the Finance Act 1965) and in any case the £2,000 exemption figure is scaled down *for* part disposals (by subsections 4 and 5 of section 30 of the 1965 Act, as amended by section 45 of the latest Finance *Act*).

As you will have seen from the report in the Financial Times on November 25, headed "Tax crunch for Krugers," the possibility of an income tax charge must be borne in mind.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Giving away a house

Referring to your reply under giving away a house (October 28) would any or all of the gifts attract ad valorem stamp duty when the house is worth, say, £50,000? If not, presumably the gifts could be made to a spouse to the equivalent of, say, £15,000 per annum without cost?

No stamp duty would be payable; but each assignment must include a Certificate of Value at £15,000. In the case of gift to a spouse a gift not exceeding £15,000 in value would (if so certified) incur no cost except a deed stamp of 50 pence. ......

Instalments of tax

I sold 10 year lease of a small block of flats which I used to run myself to a housing *association for £14,000 and* agreed to let them pay me in instalments of £2,000 a year. The Revenue claim this sum is income and propose to tax it in one year.

I was thinking of selling the freehold *to* the association at a later date. If I let them pay by instalments, would this be regarded as income rather than as a capital gain? What about paying the present assessment in instalments?

It is unfortunate that, when asking your solicitor to draw up the lease, you did not think to ask him about the likely tax consequences. No doubt he assumed that you had read the free Inland Revenue booklet (IR27) on the taxation of income from real property. You should ask your tax inspector for a copy now: paragraphs 31 to 38 cover the taxation of premiums for short leases.

There is nothing to lose by applying to the Board of Inland Revenue for permission to pay the schedule D case VI *tax by instalments over seven* years, but you have not told us enough to enable us to guess at the likelihood of success (see paragraph 37 of the booklet IR27).

If you eventually sell the freehold, for payment by instalments, the chargeable gain will be assessed to capital gains tax for the year in which the sale contract is signed. Here again, the board have discretion to allow the tax to be paid by instalments; if immediate payment would cause undue hardship. Before entering into further property transactions, you would do well to seek professional guidance through the tax pitfalls.

A power of attorney

I hold a power of attorney on behalf of my daughter who lives abroad for the most part and is difficult of access. I compiled her 1978/79 tax return, which was eventually returned by Claims Branch "not accepted," quoting TMA 1970 Section 42/5 and requiring my daughter's personal signature. After further communications Claims Branch came up with a Parliamentary answer of 1949, Hansard Vol. 466, No. 137, which, they said, gave them authority to refuse a signature by an Attorney. What do I do now?

While a Parliamentary answer does not have any force or effect in law, it may be that on a true construction of Section 42 (5) of the Taxes Management Act 1970 the Board of Inland Revenue *may* stipulate a form requiring personal signature by a claimant. However, if the *form* does not so require, signature by an attorney ought to be accepted. In practice you should invite the Claims Branch to process the application on your undertaking to obtain a personal signature when your daughter is accessible.

An unwanted cable

A TV cable runs along the eaves of my bungalow and is connected to the adjoining properties. I do not use the service myself. How *can I ensure that I can get* rid of this cable, if I wish?

If there is not already a wayleave agreement, and if the cable has not been in position for more than 20 years you can require the company to enter into a wayleave agreement with you or else to remove the cable. Standard forms of such agreements *make provision for ter*mination of the agreement on either party's giving the other say three months' notice in writing to determine the agreement.

A dollar annuity

A relative living permanently in Canada wishes to make me a gift in the form of an annuity. He suggests using a North American insurance company on the assumption that in the long term the dollar will be more stable than the pound.

If this is so arranged and payment is made to me in dollars how will I fare over income-tax?

Would it be advantageous from the income-tax angle if the annuity were bought from a British based company, payments then being received in sterling?

If the annuity is purchased in the U.S., you should be exempt from U.S. tax on it, under article XII of the 1945 U.S.-UK double taxation convention and eventually under article 18 of the 1975 convention (which is not yet in force).

Similarly, if the annuity is *purchased in Canada*, you should escape Canadian tax, under article 16(1) of the 1966 Canada-UK convention and eventually (probably) under the convention signed on September 8 (which has not yet been published).

Your UK tax inspector will need full details of the terms of the annuity contract (including the cost) in order to calculate the notional capital element, under section 230 of the Taxes Act.

If the annuity cheques are paid into a British bank, UK basic-rate tax will be deducted from the whole of the sterling proceeds; tax relief on the capital element will have to be obtained by claiming repayment from the tax inspector.

If UK tax is not deducted (e.g. if the cheques are paid into an overseas branch of a foreign bank — subject to exchange control restrictions), the UK tax assessments will switch to the preceding-year basis from the third or fourth year: the choice is yours for the third year.

Although the tax mechanics would be simpler if the annuity were purchased in the UK, the long-term effective yield may well be better elsewhere.

The non-profit trap

MORTGAGES

EAMONN FINGLETON

THOUSANDS OF families are throwing money down the drain because they are stuck with non-profit endowment mortgages. That must be the conclusion of anyone who analyses the mortgage bills of Kenneth Meyer, an FT reader in *Walton-on-Thames*.

He has found that if he wound up his current non-profit endowment policy, used the surrender value to pay off part of the loan and converted the rest to the ordinary repayment basis, he would save himself hundreds of pounds over the remaining five years of his mortgage term. His figures are particularly significant because, unlike most endowment v. repayment mortgage comparisons, in this case the repayment method is the better bet in every one of the remaining years of the term. In most comparisons of the two methods the repayment is better early on and becomes more expensive later—so analysts have to make endlessly disputed value judgments about the merits of a saving now compared with extra expense later.

Mr. Meyer's sums will be an eye-opener not only to other borrowers in the same boat but to many experts within the insurance industry.

Mr. Meyer took out his 20-year mortgage in May, 1964, and he chose the non-profit endowment method because the full-cost with-profits endowment, the only endowment alternative then available, was so dear, in the short-term at least. His *loan was £9,000 and he took out* a matching non-profit policy for £9,000 with the Phoenix insurance company. His premiums for the policy are £93 a quarter before tax relief and the interest on his standing mortgage is, as a result of the latest mortgage rate rise, £89 a month before tax relief. The total net cost of the loan for a basic rate taxpayer is currently, therefore, £85.51 a month after £34.49 tax relief. And from next April, when the tax aid for endowment premiums rises, the net cost will be £85.20 a month.

If he winds up the endowment policy in May next year he will be in line for a surrender value of £5,424. If this is paid to the building society, the Abbey National, he will be left with a residual debt of £3,576. To clear this on the repayment method over the remaining five years of the original term will cost him a gross monthly outlay of £82.12 to the Abbey plus a mortgage protection policy which works out at £1.80 a month before tax relief, assuming he is in good health.

That will mean, as the table shows, that the net cost in the first year of the new arrangement will be £72.09 a month rising to £80.80 in the *final* year.

The total net cost over the five-year period will come to about £4,570 in the case of the repayment method—a saving of £540 over what he will have to pay if he sticks with the present arrangement.

Why do the sums present such an unflattering picture of the endowment method? An insurance man would probably point out that part of the reason is that whereas £93 a quarter is now a high premium for such a policy in 1964 when interest rates were much lower it was competitive. The insurance company—and the policyholder—have been overtaken by the huge leap in interest rates since then. Assuming that the life cover and expenses element of each quarterly premium represents £13, the compound interest the *policyholder is getting* on the £80 savings element of each premium is only 3.3 per cent.

To be fair to the insurance industry, the policyholder's position could be much worse. For an actuary would point out that the surrender value is unrealistically generous given *the current* levels of interest rates. Insurance companies discount back from the maturity value in calculating surrender values and the discount rates used in this case is a highly conservative 5¼ per cent—a rate more in line with general interest rates would produce a much lower surrender value.

The *insurance industry* would probably also point out that for a policyholder paying sufficiently high rates of income tax, the endowment method even in this case emerges reasonably well.

THE CASE FOR SCRAPPING AN ENDOWMENT MORTGAGE

ENDOWMENT METHOD

The borrower's bill if he continues with his present £9,000 non-profit endowment loan for the final five years of the term.

	£	£	£
Total gross monthly interest cost	89.00		
Less tax relief	29.37		
Net monthly interest cost		59.63	
Total gross premium (on monthly basis)	31.00		
Less tax relief	5.43		
Net cost of policy		25.57	
Total net monthly cost			85.20

TOTAL NET COST OVER FIVE YEARS: £5,112

REPAYMENT METHOD

How much it costs if he switches to the repayment method (after using the surrender value of £5,424 to reduce the debt).

	Outstanding debt (at start of year) £	Monthly payments to building society £	Tax relief £	Net monthly cost* £
Year 1	3,576.00	82.16	11.55	72.09
Year 2	3,010.30	82.16	9.73	73.92
Year 3	2,378.13	82.16	7.68	75.96
Year 4	1,378.13	82.16	5.40	78.25
Year 5	882.22	82.16	2.85	80.80

TOTAL NET COST OVER FIVE YEARS: £4,571.24

* Including mortgage protection policy costing £1.80 before tax relief each month.

Some corner of a foreign field that is forever taxed

TAXATION

DAVID WAINMAN

TAX SIMPLIFICATION and reform seem to be a lost cause. But if they should ever be *rediscovered and espoused* by any *future* government, dare one hope they might look at those going abroad?

There are at least seven separate sets of rules—each designed to cover a different circumstance. This would matter less if there were fewer overlaps and conflicts, or if there were slightly more logic. If tax reliefs are enacted specifically to encourage particular activities, then they could just be more effective if anyone understood them.

Of the seven circumstances referred to, two relate to problems of domicile. Domicile can be over-simply described as the country which an individual regards as his own, and to which he intends eventually to return even if he should be away from it for significant periods, perhaps working elsewhere. In a male chauvinistic world, we each acquire a domicile of origin from our father at birth—and if he changes his domicile before we reach full age, ours changes with his. Thereafter we can change our own.

But domicile is a matter of international law. A person who wants to demonstrate a change of domicile has the two-fold task of showing that he has shaken off the first and acquired another to replace it. The burden of proving both is very heavy. Received wisdom is that it is unlikely that one can achieve it without cutting all possible links with one's previous country and settling in the new one for at least seven years.

The departing Briton who aims to shed his domicile, and thereby to exclude overseas assets from capital transfer tax, has his problems. But there are people with overseas domiciles who work here and who have totally different problems when they flit out of and back into this country.

A non-domiciled individual, working here for a foreign company, pays tax on only half his *earnings. And the* UK's tax haven status for such people does not end there: if despite being resident here, they can claim to be "not ordinarily resident," they can achieve total freedom from tax on earnings for work done abroad.

The U.S. banker living in London and working mainly for his London branch, is taxed only on 50 per cent of that proportion of his earnings which relates to days worked here: the proportion for days on the *continent, or back in the U.S.* is tax free unless he brings the relevant earnings into this country. This is one of the few areas in which a "remittance basis" of taxation still applies. And our banker would do well to watch his cash flows carefully because remittances are fully taxable, without any 50 per cent reduction.

U.S. bankers can however be regarded as ordinarily resident as well as resident here. Ordinary residence connotes some degree of permanence—that living here has become a habit of life.

The Revenue are loath to explain the criteria used in deciding, but it seems that *three categories at least acquire* the habit. Those who arrive knowing that they will be here for three years or more and those who acquire property here will both be ordinarily resident straightaway. Those who arrive all unknowing, but stay, will become ordinarily resident from the beginning of the fiscal year in which the third anniversary of their arrival falls.

The ordinarily resident, non-domiciled individual can still have his UK earnings taxed at 50 per cent and his overseas earnings on a remittance basis, but the rules are different. The amounts cannot be determined by allocating total earnings on a time basis. He must have separate contracts of employment.

What is possible and what is not in setting up separate contracts is a question on which a lot of accountants and lawyers have spent a lot of time. Hard facts are hard to come by, but one could perhaps summarise by saying that each of the contracts *must* be *capable of* standing on its own: its duties, and its remuneration, must not be such that the only person capable of doing the work would be the holder of the other, supposedly separate, employment.

There is, however, one feature which is vital to the tax effectiveness of the foreign contract. No part of its duties may be performed in the UK. One cannot claim as foreign an employment which combines *investigating overseas lending* opportunities with the requirement to report back in the UK the result of one's investigations.

We have so far looked briefly at leaving Britain to lose a domicile. We have also glanced at the rules relating to the non-domiciled person who leaves *at intervals* to work abroad, both the individual ordinarily resident here and the one who is not. Our fourth and fifth sets of rules need no more than a mention, since they have been examined repeatedly in this column.

Those working abroad for 30 days in a fiscal year, or working abroad for a continuous period of 365 days, are entitled respectively to 25 per cent and 100 per cent reliefs from tax on the relevant earnings. Why these reliefs need brief mention here is that they are not dependent upon there being separate employment contracts.

Apportionment is the normal method of determining how much qualifies for the relevant relief. *If there happens* to be separate contracts with associated employers the law requires that all earnings be aggregated before the apportionment is made. (Time is the major determinant in any such apportionment, but it is possible also to claim that regard should be had to responsibility levels and to discomfort and disruption factors).

There is then a sixth set of rules which was originally thought to have been introduced for pop-stars rather than exporters. Those working abroad for a foreign company are entitled to the 25 per cent relief on those earnings whether or not they spend 30 days abroad. But the conditions for this relief are different again. Not only must all the duties be performed abroad, but the employing company must not be associated with any other which employs the individual in the UK.

Finally we come to the seventh set of rules — those which govern losing UK resident status. It is all very simple for the person who goes abroad to work full time for a "definite lengthy period" — interpreted by the Revenue as a period which includes at least one complete fiscal year. He will be agreed to be non-resident as soon as he leaves. Although the law envisages individuals being either resident or non-resident for the whole of a fiscal year, the Revenue concessionally omits to tax earnings, foreign investment income and capital gains from the departure date.

The emigre is not precluded from visiting this country on holiday. Working full time abroad does not mean working without respite. And those respites can safely be spent in this country even by the individual who has retained a house here, *available for his use.*

The normal rule for people arriving in this country who have accommodation here is that as soon as they set foot they are resident for that fiscal year. This is overridden for those who have a full time job abroad —but there is a trap in the overriding mechanism. To be allowed to ignore the availability of his house the returning worker must be able to show that he does no part of his work here: this is the third time we have met the requirement that "all of the duties of the employment are performed outside the United Kingdom."

Shedding UK residence is a more demanding process for those who go abroad without *employment in view. Holidaying* back in this country is strongly to be discouraged until a full fiscal year has passed, and even then it is forbidden for those who have available houses.

YOUR SAVINGS AND INVESTMENTS

A controversial tax avoidance scheme has been devised to cut tax on golden handshakes. **Tim Dickson** investigates

Taking the lid off containers

GOLDEN HANDSHAKES these days can easily be five-figured. And even run-of-the-mill redundancy payments often add up to a tidy little sum, where a worker has been in a job for several years.

The problem is that the taxman may well want a large share in any part of a compensation payment in excess of £10,000.

An increasingly popular scheme, however, which involves leasing containers to the shipping industry, may help solve the problem. It can be particularly useful for high-rate taxpayers who get the sack.

The idea is that you can claim tax relief on any investment you make in containers in the year concerned—but the income you get is spread over several subsequent years when, probably, your top tax rate will be lower. For one of the plan's attractions is full capital allowances in the first year. By setting himself up in business, the investor is able to offset his initial expenses in full against earned income.

In the case of anyone who faces high tax bills every year, this may only put off the evil day.

On the other hand, someone who suddenly receives a taxable windfall might find the system not only useful in deferring tax but in ensuring that whatever tax is payable will be at lower rates.

The key principle on which the scheme rests is that there are special tax arrangements for investing in containers used for export. Several management companies are already providing a service for container investors—but anyone thinking about exploiting the scheme should get independent advice because the prices of containers provided can vary enormously.

The container market is risky, of course, but most observers reckon the sector still has several years of growth ahead.

Although most shipping companies are in dire straits, containers are an increasingly popular and efficient form of transport and many routes, particularly in the Middle East, have yet to be developed.

Among drawbacks are that private participation in the field is relatively new, containers are a depreciating asset and the high yield is by no means guaranteed.

Companies which specialise in individual container leasing essentially act as managing agents for the investor, who should have a registered business name.

Agents stress that control is entirely vested in the owner who is perfectly entitled to refuse leases negotiated on his behalf.

Yearly leasing charges currently work out at between 20 and 25 per cent but management expenses, insurance premiums and repair costs will obviously reduce this.

One typical example shows that a £5,600 investment (in this case four containers of £1,400 each) would command an income of £3.76 a day or £1.372 a year.

The management group takes 17½p in every £1 of gross return as its fee, insurance costs ½p and 15p is set aside *in a special* fund to cover repairs.

That works out at a gross yield of 16 per cent, though this could be conservative, given the sizeable repair fund. Containers, however, usually have to be completely refurbished *every four or five years*, and there are usually other expenses in the meantime.

Assuming your new income does not alter your previous tax rate, the net and gross yields should be similar.

Thus, for someone paying 60 per cent in our example, the four containers will effectively cost £2,240—£5,600 minus tax relief worth £3,360.

Subsequent leasing income will be taxed at 60 per cent, giving a net return of £368 per annum. That represents 16 per cent of £2,240.

This is an impressive return, *provided it can be maintained.* But a container's life span can vary enormously. Ten years seems a fair average but some get bashed around and don't last as long.

Another snag is that at times of excess capacity it may be *difficult to find lessees for your* containers. Leases can be signed for various periods but six months is common at present. Good management, of course, is essential, but finding a new lessee will largely depend on market conditions. At present about 80 to 85 per cent of a typical company's containers is out on lease—compared to about 95 per cent a year ago.

The Inland Revenue, incidentally, is much more favourably disposed towards companies which operate British manufactured containers.

Exporting is the key to tax relief.

Get it together, brothers

Opinion

IT WAS inevitable that in its recent evidence to the Wilson committee of inquiry into financial institutions, the Trades Union Congress would indulge in a little bit of building society bashing.

It seems the bigger the societies grow and the higher they push the level of home ownership, the greater the criticism becomes.

In pursuing a call for more public accountability, in terms of lending policies, structure and organisation, the TUC homed in on one of the more obvious soft spots of the societies' underbelly, the proliferation of branches.

It pointed out that, in general, *societies adhered to recom*mended interest rates and so competition for deposits had tended to take the form of opening new outlets.

The TUC said that the number of building society branches had risen from around 2,200 in 1971 to over 4,000 by the end of 1977 and claimed that expansion on this scale was wasteful, with management expenses proving the point by rising steadily over the past six or seven years (a characteristic confined to building societies?).

According to the TUC, which said it is *against public owner*ship of societies, branch proliferation also represents a cost in terms of lost High Street amenities and it went on to suggest one way round what it believes to be a problem.

In its evidence, it emphasised that most societies allow deposits and withdrawals up to a certain amount, to be made from any of their branches. This meant that society accounts more closely resembled bank accounts these days and that, given this trend, a clearing house system for building societies was needed.

This, it said, would enable building society account holders to deposit and withdraw funds, up to a specified amount, at any building society branch of any participating society. Such an arrangement, according to the TUC, would remove the need for further branch expansion and would allay public concern that societies were taking over whole streets to offer basically the same service.

The suggestion certainly has some merit, though a clearing system to cope with annual receipts of around £14bn and withdrawals of £10bn would hardly prove cheap to establish and to run.

It also overlooks the fact that new branches have, at least until now, managed to generate new money and that a stop to further expansion (not so far being contemplated) would only add to the problems which the societies are now facing, namely the attraction of sufficient funds to meet huge volumes of demand.

Few of the larger societies have had branches that have not attracted the level of funds expected; but there are grounds for criticising some of the smaller operations whose delusions of grandeur may have gone to their heads and which *are supporting outlets not justi*fied by their income.

But on the assumption that in future the societies will continue to hang back from more direct competition between themselves, they will clearly have to think in terms of establishing a much wider type of service to beat outside competition, and this could include the sort of suggestion made by the TUC.

As Alan Mason, chief general manager of the Provincial, said recently, demand for home loans—already up to £8bn a year—could double in the next five years and competition for *funds will intensify.*

The use of societies as quasi-banks, which has not gone unnoticed by the banks themselves and may yet provoke a stand-up confrontation between the two sectors, can be expected to increase.

Among new developments building societies are now considering are setting up their own credit card services, introducing current accounts with only a nominal rate of interest, a bank-type *budget account system* and lending on consumer durables.

Whichever way development goes, fundamental changes are on the way. Whether the TUC agrees with them remains to be seen.

MICHAEL CASSELL

Money Monitor

It's the tax that counts

IF YOU ARE planning to make a gift of money to children or grandchildren this Christmas, check the tax position.

The tax rules for children's money are now littered with as many traps and escape routes as any snakes and ladders game you are likely to be roped into over the holiday break.

As the latest issue of *Money Which?* points out, parents save little or no tax by making over investments to their children. But there may be big cuts in capital gains tax bills, and parents who arrange things carefully can reduce their capital transfer tax problems or even eliminate them altogether.

Some of the biggest tax opportunities are for grandparents passing on their wealth to grandchildren. The tax payable on the income from investments may well be slashed after they are transferred to a grandchild. And a grandparent may be able to reduce his tax bills if he makes payments to grandchildren under deeds of covenant.

For parents planning gifts the main rule to watch is that *a parent is taxed at his top rate* on any income in excess of £5 a year each child gets from the capital. But where children have income from capital given to them by anyone other than parents, the income is regarded as their own and they get a full personal allowance. Under current rules, there may, however, be a penalty for the parents where the amounts are large: this is because you stand to lose part or all of your child tax allowances. This penalty, however, will no longer exist from next April when the final phase of the transition from child tax allowances to tax-free child benefits is completed.

A child's capital gains are taxed as his own, irrespective of who gave him the capital. Since the introduction of more generous CGT rules last April, this is now a worthwhile concession. Every individual can now realise gains of up to £1,000 a year free of capital gains tax. And the next £4,000 of gains realised each year is taxed at only 15 per cent. For a wealthy family, therefore, it can make good sense to spread *shareholdings* around among the children. If the parents are, however, already showing large capital gains on the holdings at the time they make the transfer, there will probably be some capital gains tax to pay then.

The basic rule about capital transfer tax is that you have to pay it on anything over £25,000 you give away during your lifetime or leave on your death. But each year you are allowed to make gifts totalling up to £2,000 which count as tax-free (so if you have a large amount to pass on it makes sense to start as soon as possible); gifts made out of your income are also tax-free if they do not reduce your standard of living. A good example is premiums on an endowment policy on your children's lives.

Payments made by deeds of covenant can often be deducted from your income for tax purposes provided they are made to anyone other than your children. These payments will count as taxable income in the hands of the recipient, of course, but if he is a grandchild with little or no other income he can set off in full the usual single person's personal tax allowance, currently £985, against the payments.

For a donor to be entitled to tax relief on deed of covenant payments, he has to agree to continue them every year for at least seven years.

Accumulation acumen

ANYONE WHO wants to make the most of unit trust investment should look at the neglected "accumulation unit" idea.

With accumulation units your dividend pay-outs are automatically ploughed back into the investment fund for you. Other things being equal the price of accumulation units should rise directly in line with the net value of the dividends you would otherwise be due.

From the investor's viewpoint the effect is similar to ploughing back dividend pay-outs into new units in a fund—and many groups provide this service. The difference is that with *accumulation units, provided by M & G,* Lloyds Bank and a few other groups, you avoid having to pay initial management charges.

In a scheme which involves issuing new units, the management gets a rake-off of either 3¼ or 5 per cent at present on these.

Easy reader

MOTOR INSURANCE

ERIC SHORT

ONE MILLION motorists insured with General Accident should now understand exactly what cover their motor insurance provides — and, possibly more important, what it does not provide. The company this week unveiled its new-style motor insurance policy written in plain English, with accompanying explanatory text. This is the first time the exercise has been tried and, if it proves a marketing success, it could herald the start of a trend.

Most motorists do not understand their insurance policy and make no attempt to do so. They only find out the hard way when they claim after an accident, or a theft and find that certain risks are not covered. Then the trouble starts. The Office of Fair Trading and the Consumers' Association point out that many complaints arise because consumers have not understood their policies.

The insurance industry has been urged by these bodies to make policies understandable to the man-in-the-street and to cut out jargon. The industry has done much in this direction to make the explanatory leaflets and booklets understandable, a move for which it has not received much credit. But up to now companies have avoided rewriting the insurance policy.

This is because the policy is a legal document that has to stand up in court in the event of a dispute. The combination of lawyers and insurance men has been doubly effective in producing a document that loses *the layman after the first line* or so.

General Accident has spent 3,000 man hours and £100,000 on its new policy. The lawyers have gone through it with a fine-tooth comb to ensure that it will stand up in Court: but *no one will know for sure until* it is actually tested.

The first dramatic change is in the style and printing. Out has gone the old-style foolscap sheets of small close-set type. Instead it is presented in booklet form with easily read print. There is literally no small print. A novel feature is that attractive pictures are used to signpost each section.

One of the most dramatic contrasts between the old and new styles is in the section dealing with personal effects in a car — often a source of misunderstanding.

The old style — complete with General Accident's own unusual punctuation — reads:

"The Corporation will indemnify the policyholder or at his request such other person as may be the owner of any rug, clothing or personal effect against loss of or damage thereto by fire or by theft (or attempt thereat) or by accidental means while in or on any motor car described in the schedule.

Provided that

(a) *the total liability of the* corporation under this section shall be limited to £50 in respect of any one occurrence.

(b) compensation payable to any person other than the policyholder be paid direct to such other person who shall observe, fulfil and be subject to the terms exceptions and conditions of this policy in so far as they can apply.

The Corporation shall not be liable in respect of loss or damage to (1) money stamps tickets documents or securities; (2) goods or samples carried in connection with any trade or business."

Quite a mouthful.

This is the new wording:—

"General Accident will pay up to a total of £50 per personal effects in or on your car if lost or damaged due to accident, fire, theft or attempted theft.

This personal effects cover does not insure loss of or damage to (1) money, stamps, tickets, documents or securities, or (2) goods or samples carried in connection with any trade or business, or (3) property insured under any other policy."

General Accident has not only succeeded in using clearer words but fewer of them: the total number of words has been cut by over one-quarter from 3,600 to 2,600.

General Accident has incor*porated explanatory notes inter*leafed in the policy booklet to help ensure the policyholder understands the policy; but to make sure he realises they have no legal force, they are printed on coloured paper. The note on personal effects states: "Please note the exceptions opposite. The total payment which can be made following a claim under this part of your policy is £50. Make sure, therefore, that your personal effects are fully insured under a separate policy."

Proposal form

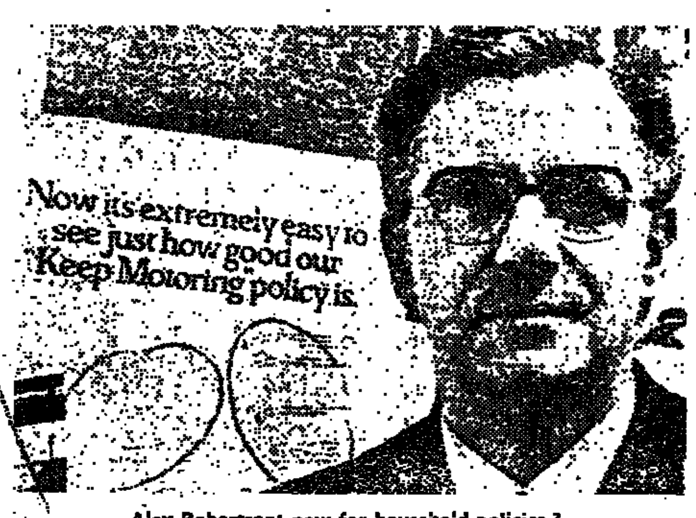
Many disputes arise because the policyholder insists that he did *not* understand the questions in the proposal form or that the answers were falsified by the broker. General Accident has simplified its proposal form too and a photocopy of the completed form is being enclosed in a pocket at the back of the policy booklet.

The man behind the new policy is Alex Robertson, the marketing manager. He is enthusiastic about speaking to the consumer in plain language. His view is that not only is the policyholder entitled to understand what he is buying, but that plain language documents will save the company time, effort and money dealing with claims later.

New policyholders will get the new-style booklet straight away. But existing policyholders may have a wait. They will get the new-style booklet only when the nature of their existing cover changes, for instance, when they buy a new car. It would be expensive to mail everyone a new policy immediately.

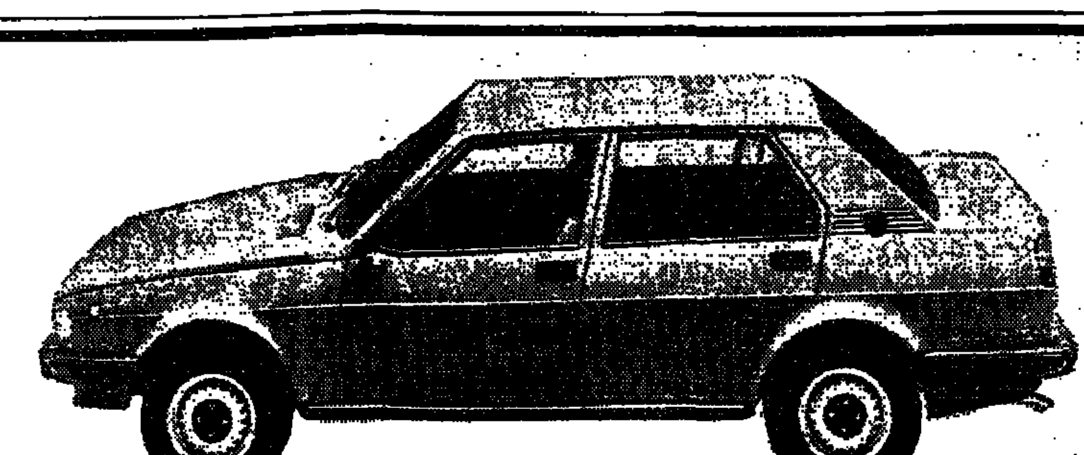
But over the next two or three years almost every policyholder should see the new booklet.

The question now, as Mr. Robertson pointed out last week, is which other types of insurance policy should be next for the plain language treatment. Life and household policies are obvious candidates.



Alex Robertson: now for household policies ?

MOTORING



But, oh dear, that gearshift . . .

BY STUART MARSHALL

SUPER five-speed gearboxes that slipped silkily from one cog to another. They used to be an Alfa-Romeo characteristic, but they are not any more. Following the pattern of the Alfetta and GTV, Alfa have put the new Guilietta's gearbox in unit with the final drive and De Dion rear axle. It keeps the wheels upright under hard cornering and helps the Guilietta hold the road and handle well under stress. But, oh dear, that gearshift. . . .

The best thing I can say about it is that after nearly 500 miles I was beginning to get used to it. The problem is basic to the design. Because the clutch is still at the front end, the synchromesh mechanism has to cope with the rotating weight of the propellor shaft as well as the gears themselves when you shift.

Even though the synchromesh is beefy enough to be unpleasantly obstructive, there is still an ugly crunch if you try to engage first without holding the clutch out for a few seconds. It's not so bad when you go up through the box into third, fourth and fifth, but the lever movement is sloppy and the "hot knife through butter" feeling that distinguished earlier Alfa gearshifts has gone for good.

Were it not for the fact that the gearbox runs quietly and the drive line is free of any jerkiness in traffic, I would have felt the criticism I made of the transmission in BL Cars' manual Princess 2 a few months ago was unreasonably harsh.

If I have gone on at length about the shortcomings of the gearshift, it is only because the Giulietta is otherwise a muscular and well mannered car with an interesting performance and most comfortable ride. Everything, in fact, that a business executive could ask of his weekday transport, plus an under-bonnet throb that makes the car feel sporty without drowing out the radio.

The engine is a traditional Alfa-Romeo twin overhead camshaft four-cylinder of 1.6 litres capacity that is as good to look at, with its polished alloy cam covers, as it is to drive behind. It fires up first thing after a couple of dabs at the throttle pedal and thrives on hard work.

In town, it pulls smoothly in third from 15 mph (avoiding that horrid downchange into second) but the same gear is good for over 70 mph when you are hurrying in the country. Without putting the rev counter in the red, fourth will show 95 mph and Alfa's claim of a 108 mph maximum is realistic. Fifth gear gives just under 19 mph per 1,000 revs per minute so 100 mph could safely be sustained on the autobahn. But higher gearing still would improve fuel economy. My 22-23 mpg for brisk commuting was unexciting, though I saw 27 mpg on longer, gentler journeys. The tank holds 11 gallons, with two in reserve when the warning light starts to flash.

The driving position is fine for all but the lanky and visibility over the short bonnet is commanding. You can see the lipped boot lid at a turn of a head, which helps when parking. The speedometer and rev. counter are unobstructed by the steering wheel; so are the fuel, radiator and oil pressure gauges and a host of warning lights. Above the mirror is a neat digital clock.

Over all kinds of roads the Guilietta rides buoyantly with very little trye thump getting inside. Clearly, quite a lot of rubber has been used in the suspension to isolate the occupants from road noises and you notice this in a curiously loose-jointedness of the steering. For the first hour or two the car seems to lack handling precision. Then one realises that it goes exactly where it is pointed and has great reserves of road-holding.

The all-disc brakes are generously power assisted and the parking brake is a hefty, efficient handful.

From the outside, the Guilietta is as generously hipped as a Neapolitan mother of ten. This makes the boot unusually deep, but it is meagre fore and aft. The spare wheel takes up so much space that it lends force to Dunlop's arguments in favour of their spare-tyre eliminating Denovo. Like the old Morris 1100, the Guilietta's passenger / luggage equation comes down in favour of people. The back seat really does have adequate legroom and kneeroom for adults.

The matt black body trim is smart. I approved of the completely flush door handles and the stout bumpers are of the kind you can clout without leaving a scar. All black paintwork is now high fashion though not many years ago it demonstrated that you couldn't afford to pay extra for a bright colour. My black test Guilietta looked sharp, even slightly sinister, but I thought the brown fascia, speckled carpet and regulation grey flannel trouser coloured seat trim contrasted oddly with the paint.

It is a well planned interior, though, with a sliding drawer in the fascia for odds and ends. The heater/demister is easily controlled, there are red fog rearguard lights and the wipers, set for right-hand drive show that Alfa take the British market more seriously than some of their mainland European rivals.

The Guilietta costs £4,499.32, which is a handful of coppers under the psychologically important £4,500 price barrier and includes 12 months after-sales cover plus free routine service parts for the first 27,000 miles. That's close to £300 more than a Cortina 1600 Ghia, of course, but, nasty gearshift notwithstanding, the Alfa has a magic ingredient. They call it panache.

A year of records

GOLF

BEN WRIGHT

NEW YORK, Dec. 15.

THE EVENTS of the past two weeks in Florida and Mexico City have put the seal on what has been one of the great vintage years in the game of golf.

In the J. C. Penney Mixed Team Championship, Lon Hinkle and Pat Bradley had to produce a brilliant birdie at the first extra hole to beat Mike Hill and Vivian Brownlee in the most exciting finish one could wish to see. Just a week later, the Mexico Cup, the inaugural playing of which was so brilliantly staged, went down to the final putt — which poor Don January missed from 5 feet — to give Australia's David Graham victory, a carbon-copy of that which he had achieved over the same rival in the 1977 Australian Open.

Trying to pick the greatest moment in such a momentous year is impossible. One is tempted to go for the five consecutive birdies with which Jack Nicklaus finished the Jackie Gleason Inverrary classic to beat the unfortunate Grier Jones. But such a brilliant performance was quickly eclipsed by that of Gary Player in taking the *Masters* title at Augusta, which appeared to be an impossible feat. But one does not ever use the word "impossible" when referring to the extraordinary little South African, who went on to win the next two tournaments—one of the great hat-tricks of all time.

The year 1978 has also seen the emergence of Dr. Gil Morgan and the giant Andy Bean, both of whom have won over $250,000 in establishing themselves as world-class performers. Morgan is as self-effacing as Bean, the one-time alligator wrestler, is ebullient. I shall not easily forget the occasion on which we were rained out in, of all places, Phoenix, Arizona, on the final day of the Phoenix Open in January. Contractual obligations forced us to come up with a television show lasting a half an hour, and it was with some trepidation — since he has the strength of a mature gorilla—that I asked Bean to chew through a golf-ball's skin, which I had heard he could do with comparative ease. The big fellow proceeded to mangle a golf-ball with his molars, a feat quite frightening and horribly noisy.

This season was also remarkable in that Sevvy Ballesteros of Spain and Jack Newton of Australia both won their first victories on the U.S. Tour, an unlikely happening these days, when there is such strength in depth on the American circuit.

Ashley Ashwood

Sevvy Ballesteros

The feats of Ballesteros in both America and Europe have established him as the greatest prospect since Nicklaus first burst upon the scene in the late 1950s, but the young, 18-year-old American Bobby Klampert's performance in spear-heading the American thrust to victory in the Eisenhower Trophy competition in Pacific Harbour, Fiji, indicates that this slip of a lad could also be in Nicklaus's class.

No moment in 1978 was more emotional than when Nicklaus strode up the 18th fairway at St. Andrews to take the Open Championship once again, a superlative performance.

Last Sunday evening we were sitting around talking golf—just for a change—when someone had the idea of asking the assembled company who finished second in that championship. No one could come up with the correct answer, which indicates that the old adage that nobody cares who finishes second is absolutely true. For the record, there was a four-way tie between Ben Crenshaw, Tom Kite, Ray Floyd, and Simon Owen.

The season was also an epic one for John Mahaffey, the Texan with the choir-boy face, who put personal and injury problems behind him to score a brilliant victory in sudden death against Jerry Pate and Tom Watson in the USPGA championship at Oakmont.

Watson has just been voted "Golfer of the Year," which is hardly surprising, since he won tournaments all through the year with almost monotonous regularity and ended up banking $362,429 in official money, not to speak of what he made on the side.

The year ended with a brilliant victory for Bobby Wadkins in the inaugural European Open at Walton Heath, and this marvellous event is obviously destined to take an honorable place in the calendar.

Of all the brilliant shots that I have been privileged to witness throughout this momentous season none was more wonderful than that which set up David Graham's birdie at the 17th hole last Sunday in Mexico, which enabled him to close out January in the brilliant finish of the Mexico Cup.

Ways to stay alive

FISHING

JOHN CHERRINGTON

I DON'T know if any of you have fised the River Lochy, one of the most beautiful and productive in the West of Scotland. In parts one of the most dangerous too. On my first outing there I incautiously wated out in the general direction which had been indicated to me by the ghillie before he left for another pool. Somehow I got his instructions wrong, and after wading further and further to cover a persistently rising fish, I found that the current had taken control.

I was still on my feet, but the water was just below my waist and the river bottom, instead of being almost flat sand had changed to roundstones about the size of two clenched fists. At the same time the weight of water seemed to be increasing and was imperceptably moving me deeper all the time. I had breast waders on, and of course, they increased my buoyancy. What was worse, the heavy oil-skin I wore billowed out to give the downstream wind a real purchase as well.

I had no wading stick. But I had in those days a very solid 14 ft rod, and pushing the butt well down into the stones, used it as a support to edge myself across to shallower water. It took sometime. I became very frightened, and the experience caused me to make several resolutions.

Resolutions made under duress are seldom kept, but one of them I have followed religiously. I no longer wear breast waders. If by good casting I can't cover a fish when wearing thigh ones I give it best. Especially if I am fishing alone. Of course thigh waders won't stop you falling over but they make sure that when you do so, the water won't be too deep. I have in fact fallen when wearing them and even in under three feet of fast running river getting up again is quite a job.

This was because I didn't have the sense to follow the advice of Hugh Falkus, a great fisherman who either on a BBC film or in his writings shows you how to survive when overwhelmed. You should not, he says, panic. You should not cry for help and throw your arms in the air. This would be the surest way to drown as your feet would go down, and so would you.

The technique is to lie back and float and let the river carry you down to the next shallows. You should not fight in but simply paddle with your hands to move you across the current if necessary. You should not worry about the fact that you have on a lot of clothes and waders. These for a while anyway would be full of air, and would help to keep you afloat. In any case they would help to keep you warm.

This is wonderfully sound stuff and should come easily to a swimmer, which I am. Particularly if I remembered his advice and surrender to the water which is the only way to keep afloat. But a non-swimmer would have great difficulty in getting into a floating position. It is something that really should be practised first.

Nor is drifting with the current always as easy as it sounds. One should go down the river feet first. I was once bathing in a New Zealand river on a hot day when fishing was hopeless. The river was low, and the water very warm, so I thought it would be marvellous to float down the stream. So I closed my eyes and drifted away.

I had in the event a very lucky escape. Although the stream was not very swift, the impact of my shoulder on a rock was enough to make it sore for weeks. If it had been my head I could have been knocked out. The real moral of this is to keep out of dangerous places and practise survival.

MOTOR CARS

هكذا من الأصل

هكذا من الأصل

PROPERTY/TRAVEL

Short and sharp

BY JOE RENNISON

THE SHORT sharp upturn in prices this year has been felt just about evenly over the whole of the country. The experience of Jackson and Jackson of Lymington over this unusual year is typical.

Nineteen seventy eight began with bitter weather, a shortage of houses, a surplus of buyers, and ample mortgage funds. It was with this background that they saw a return, during the early part of the year, to a sellers' market, with a sharp rise in prices during the first half of 1978, followed by a slightly more level period between July and September, and a further rise in values during the autumn and early winter, resulting overall in the increase of at least 25 per cent in house prices and in some cases even higher.

Properties have been selling well by private treaty and public auction throughout the New Forest, and the demand for country houses, cottages and bungalows has never been greater, either along the coast or inland. The Government, having placed a restriction on lending by building societies in the middle of the year, has caused a slowing down in certain sales reaching contract stage, resulting in the building up of a number of chain sales. The Societies have, however, been greatly encouraged by the increase in investments through the autumn and early winter, which means that they will be able to cope more easily with the ever-increasing demand for mortgages.

The types of property which have been greatly sought after this year include 4/5 bedroomed country houses anywhere in the New Forest between £60/90,000 detached houses, terraced houses and bungalows in Lymington, New Milton, Milford-on-Sea and Highcliffe, between £25/60,000 are also selling well. Flats, too, have gained in popularity, especially with coastal or river views. They reported last year the interest in waterside properties, and this has certainly continued, especially in Beaulieu or Lymington. Houses or cottages in need of renovation are greatly sought after, and those that have come into the market have sold well either under the hammer or by private treaty. Areas which have remained popular throughout this year include Burley, Brockenhurst, Sway, Beaulieu, Boldre, Fordingbridge, Ringwood, Lymington, Keyhaven, Barton-on-Sea, Milford-on-Sea, Brook, Landford, Norley Wood and East End.

The Isle of Wight is also becoming more popular, and they have been encouraged by the number of properties which they have sold in West Wight this year. Building land remains in great demand, and few sites have been available through this year in the New Forest area. The search for land continues and prices have escalated enormously for building land over the past twelve months.

The upsurge in the buying of a second home has been particularly noticeable over the past year. These buyers are either those who are about to *retire or those with young* families who would rather invest in a terraced property in the centre of Lymington or the New Forest than pay hotel bills year after year when *taking the family on holiday.*

The most successful year has been 1978 that they have experienced over the past decade. It has seen a *considerable* increase in property values as they had predicted, little gazumping, and a satisfactory market in which to buy and sell.

Following the increase in the minimum lending rate during first week of November, it was anticipated that there would be some readjustment in the mortgage interest rate. A record rise of 2 per cent to 11¾ per cent is unlikely to have any damaging effect on the house market. They can see that through the winter house prices will tend to stabilise, but it is unlikely that there will be any panic selling, or indeed any marked fall in property prices. The increase in the rates to investors to 8 per cent will reinforce the societies' position as being extremely attractive from the investors' point of view. The Government's insistence that the controls on mortgage lending rates remain enforced make it clear that the home loan queue, which has been in evidence for the past six months will continue to confront house buyers this winter. Although it is hoped that with the *increase in the investors' rate,* even more funds will pour into the building societies, so that that they will be able to meet the ever increasing demand for mortgages which will continue even with an 11¾ per cent interest rate.

The home in Peel Street, Campden Hill, W8 of the late Sir William Russell Flint RA is for sale. Known as Peel Cottage, it is a unique studio house, virtually detached, and has a magnificent 64 ft galleried studio. There are small walled courtyard gardens both at the front and rear and a large integral garage with automatic opening door. In addition to the studio, accommodation comprises dining room, study, four bedrooms, two bathrooms, kitchen, domestic offices and a self-contained 1-room flat. Russell Flint lived in the house from 1924 until 1969. Asking price through Chestertons for the freehold is £175,000.

Rocky Mountain highs

By ARTHUR SANDLES

WE LEFT most of the other skiers at the top of the ski lift and continued to climb. It was a steady trudge ever upwards on downhill skis never built for this sort of thing. Increasingly I was aware that at 12,000 feet above sea level my body was not equipped for this sort of thing either. But then we peered over the top of the ridge *and there we stood. Slowly my* breathing and heartbeat returned to some sort of normality. Below us, and cut off from the rest of the ski resort, was a bowl of perfect deep, dry, *untouched, powder* snow.

My guide, a wily mountain man who had made his fortune running a plywood factory or some such and then dashed for the snows while he still had vigour to enjoy them, uttered a whoop and soared off towards the valley. Although well into his sixties, or seventies for all I know, he danced his way down *with a feather-like elegance.* I took one look at the deep blue of a clear mountain sky and set off in pursuit. Others may disagree, but I think I had covered at least 50 yards before I fell.

The mountain in question was less than one hour's drive from a large international airport — Salt Lake City — and the run was one *of dozens which are* available up and down the Rockies, from Taos in New Mexico to Banff in Alberta. The North American west provides ski-ing which is full of surprises, and pleasure, for the average European skier.

High on the list of the surprises is the quality of the snow. Most of the Rocky Mountain resorts are high by Alpine standards, a fact which helps to give the ski runs a crisp, dry feel to them.

Recommended *for* British skiers are: Aspen, a superb all-round centre offering an enor*mous range of ski-ing.* It is in fact four resorts. Try Snowmass, which has a nice cosy village centre. A free shuttle bus runs to the other centres. Sample price £429 in February, two weeks B/b from Inghams.

Vail. Another of the American glossies, smaller than Aspen and with a more intimate feel to it. Famous for the back bowls of *powder snow.* Prices out of London are a little higher than for Aspen.

Park City. Very close to Salt Lake City, a good all round fun resort. More skiing at nearby Alta and Snowbird. I *particularly* like the European mood of some accommodation at Alta.

Taos. Skiing in New Mexico—it's a long way from anywhere but the resort has a nice chummy mood. *Package* can be bought in the U.S. but are less easy to find here. Great skiing through powder in among the trees.

Further information: Inghams, 329, Putney Bridge Road, London SW15. [illegible] Ski Holidays (which is doing a programme in liaison with TWA to Breckenridge, Keystone and Copper Mountain, all good intermediate resorts) 125, Granby Street, Leicester LE1 6FD. Erna Low, 9, [illegible] Street, London SW7 3EY. United Airlines (packages ex-New York to just about everywhere worth going) 20, Savile Row, London W1. With trans-Atlantic prices so low in the winter months it is well worth checking on package prices ex-New York.

The FT weekly ski column is to appear on Saturdays this winter as from Christmas Eve. The column will include snow reports from the main European and U.S. resorts.

Fabulous family

GARDENING

ARTHUR HELLYER

THE MOST sumptuous gardening book I have received this autumn is about orchids. Well, I suppose that is no matter for surprise for orchids are a sumptuous subject fascinating to growers and non-growers alike. I have to count myself among the latter for, though I have a few orchids in the greenhouse, they have had to take their chance along with a mixed collection of other plants and that is no way to treat such a highly distinctive as well as distinguished family.

There have been many books about orchids but always, or so it has seemed to me, rather a shortage of reliable, easily understood books that get down to the real nitty-gritty of successful orchid management. The newcomer, The Country Life Book of Orchids, published by Country Life Books price £40.00, *will not fill that gap though it* does have some useful things to say about growing orchids, including a good account of modern substitutes for that fast disappearing staple of former *generations of orchid growers,* osmunda fibre.

This is prepared from the roots of the Royal Fern, *Osmunda regalis,* and its great value is that it retains its tough, stringy texture for a very long time. This is just what a great many orchids require, those kinds that are known as epiphytes because in the wild they live perched up in trees completely out of contact with soil and with many of their roots dangling in the moist forest air. Osmunda fibre, *packed loosely into extra well* drained earthenware pots or wood slat baskets, provides a reasonable simulation of these peculiar conditions but it is *becoming ever scarcer and more* expensive and so orchid growers are replacing it with the roots of other ferns, but none seems quite so satisfactory as osmunda, very coarse, rooty peat, pulverised bark or bark chippings and even shredded plastic or polystyrene.

But this book is more concerned with an explanation of what orchids are, how they differ from all other plants, where they grow and how botanists classify them than it is with their cultivation. The text is by Peter Hunt, who until recently was curator of orchids at the Royal Botanic Gardens, Kew, so there is no question as to its authority. There are 32 *whole page plates in colour* from watercolours by Mary Greirson who was the official botanical artist at Kew and most of these plates show several different kinds of orchid or of orchid features, such as their very varied leaves, inflorescences, seeds, stems and pseudo-bulbs, those curious swollen stems which enable them to store food and moisture and survive long periods of drought between the monsoon conditions of many of the regions they inhabit. There are also numerous black and white pictures mostly reproduced from old books and magazines. The production is excellent.

The vastness and complexity of this family is mind boggling. According to Mr. Hunt it is the largest plant family in the world with about 750 genera and 18,000 species. Distribution is world wide, even extending to Australasia which, because of its long separation from the other continents, has tended to develop a highly individual flora of its own.

By no means all orchids are tender or even exotic. There are many species in Europe quite a respecable number of them extending into the British Isles, but these hardy kinds are usually so *different superficially* that many people, seeing them in hedgerows and meadows, probably do not realise that there is any connection between them and the tropical or subtropical species.

As greenhouse plants go orchids were comparatively late in coming into favour probably because early attempts at growing them failed through lack of understanding of their requirements Some of them really are difficult to grow, a few almost impossibly so, but the majority are fairly easy provided the conditions they need can be provided. Some can even be grown in rooms though I have found this difficult without the help of a plant cabinet in which a much moister and more constant atmosphere than that of the room can be maintained. Mr. Hunt suggests the little nearly hardy pleiones as specially suitable for growing indoors and thinks that they may soon become as popular as pelargoniums and tradescantias. I have had them in a terrarium but have not tried them in the open room. They are all small, charming and quite easy to buy so anyone drawn to orchids but lacking a greenhouse might well make a start with them.

Even those who have no intention of growing orchids could find this book fascinating and full of unexpected information. Apparently the first tropical orchid flowered in the British Isles in 1733 and it is exactly 200 years since Dr. Fothergill brought the first two Asiatic orchids to England and gave *them to his niece, a Mrs. Hird.* She only succeeded in growing one a species of phaius, and failed with the other, a cymbidium.

I had not realised that nearly *all orchid flowers are born up*side down and that they get into this posture by a twisting of the ovary. Even when the flower is the right way up, with the lip or labellum on top, and the petals and sepals below, it has usually got into this position because the ovary has twisted through 180 degrees instead of only 90 degrees. Can anyone explain to me what possible evolutionary advantage a plant can gain by going through such contortions to get itself where it started?

It is said that over one third of all orchid species are in danger of extinction in the wild within the next half century though there is a little reassurance from this sombre prediction in the steps which Mr. Hunt says are being taken now to reverse the trend.

هكذا من الأصل

HOW TO SPEND IT by Lucia van der Post

Midnight Specials

JUDGING from previous years, the one present that men really enjoy giving to the women in their lives is—glamorous lingerie. Whether it is because this is something women really can't bear to buy for themselves or because the men are constantly hoping to come home to somebody miraculously more glamorous, more enticing, I'm not sure. Anyway, round about Christmas time, lingerie sells in droves.

By contrast, I hear that nightwear for men is definitely on the way out—television has apparently done its deadly damage and the prevailing ethos has it that pyjamas are very unchic. Your smart man-about-town in the television serials wears a towel wrapped around himself so as not to shock respectable televiewers but otherwise wears sweet nothing. Real life is following on fast. Pyjama manufacturers should diversify as soon as possible.

Happily the field of nightwear for women has never been more fruitful and glamour is now available at every price, from finest, softest silk running into hundreds of pounds down to under £10. Here are just a few of the best.

Photographed at EMI's Royal Westminster Hotel by Trevor Humphries

SOME of the lingerie this Christmas is so beautiful that it seems a shame to wear it only to bed. The lingerie look has spilled over into partywear and certainly some of it can easily double as party clothes.

Tuttabankem is one of the most luxurious and most glamorous names to look out for. This particular pyjama suit is made from 100 per cent silk crêpe de chine and could either be worn as a complete outfit to a party, or the separates could be worn with other things.

The suit consists of trousers with a nice ruffled waist, a fine diamanté trimmed top with shoe-string straps and a jacket trimmed with lace and diamanté. The whole outfit is hand-washable and comes in lavender, black, champagne and natural. In sizes 10 to 14, it costs £175 and is available from Harrods of Knightsbridge, Miss Selfridge of Duke Street, London, W1 or by post (though at this time post must be at your own risk) from Tuttabankem, 2 Walton House, Longford Street, London NW1. Sandals by Midas.

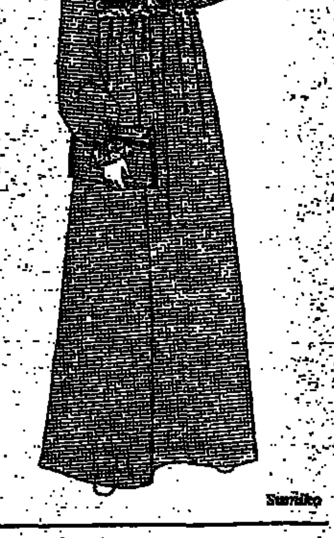
FENWICKS of Bond Street, London W1 and of Newcastle, have a particularly attractive nightwear set, with plenty of matching accessories—just what I imagine would be entirely suitable for those pyjama parties the American college girls seem so fond of. For those of us who don't get many invitations to such events, it would seem to do an admirable job in keeping out British draughts and looking tolerably glamorous, too.

Made from 100 per cent brushed cotton in tiny checks of pink/brown, blue/brown, green/brown on cream background, our drawing features a nightie for £13.50 (p+p 60p). The mob or shower-cap is made from the same material as the nightie but is lined with beige plastic and trimmed with lace (£2.50, p+p 30p). A toilet bag (11½ in. by 7 in.) from the same material, also lined with beige plastic, and with some pockets for holding bits and pieces, is £4.50 (p+p 30p). Mail order is only from the Bond Street branch and though Fenwicks will post immediately they cannot guarantee the performance of the Christmas mail.

This carry-all is by the company of Vagabond which made all the accessories designed to go with the Fenwicks nightdress; although it is only available in pink it tones with most of the colourways. It would obviously make an admirable overnight bag, into which all the other gear can be stashed. It measures 15 ins by 8 ins and is £6.95 (p+p 60p) from Fenwicks of Bond Street, London, W1, and Newcastle.

Liz Gill

DOROTHY PERKINS shops are all over the country and are an extremely good source of inexpensive but glamorous nightwear and underwear. This particular nightdress is only £7.99 but looks worth infinitely more (particularly in black). It is made from 100 per cent nylon and is available from main branches of Dorothy Perkins.



Sumiko

Drawings by Sumiko

ZANDRA RHODES, one of our most gifted and original designers, has turned her hand to the nightwear scene and, as usual, has come up with something ravishingly beautiful and unique. Made from 100 per cent finely pleated polyester, this comes in brilliant colourways (a change from all those pastels) of either mainly blue or mainly red. There is a nightdress and matching negligée which come in two sizes, small and medium, which together cost £232. From Harrods of Knightsbridge, London SW1.

Gina Fratini is another designer more noted for her contributions to other areas of the clothing world. This outfit in 100 per cent pure silk consists of a marvellous night shirt and trousers and it has a matching quilted waistcoat — the shirt and trousers on their own would certainly look very chic at almost any party and the waistcoat could be worn with many other outfits. In cream only, it is trimmed with lace, comes in small and medium sizes only and costs £147.

More Christmas gifts on Page 20

Stuffing it

BY PHILIPPA DAVENPORT

Philippa Davenport has been writing our cookery articles for some five years now but this, sadly, is her last for us. It represents Philippa at her best — she takes a theme (the Christmas stuffing) that is traditional but manages to imbue it with her own original touches and suggestions. I certainly wish to thank her for the ideas and inspiration she has given me over the years—many of her recipes have become family favourites which will remain a permanent part of my culinary repertoire. I, and I am sure, her many admirers among our readers, will wish her the greatest happiness and success in the future.

I SOMETIMES feel tempted to break away from traditional Christmas fare. A roast pheasant or a magnificent joint of beef seems to me a far greater treat than roast turkey these days, and there are any number of puddings I would choose in preference to plum pudding. But my arguments fall on deaf ears whenever I try to convince my family. In particular, the idea of a turkey-less Christmas seems to scandalise children as much as the suggestion that they might be old enough to give up hanging out their Christmas stockings.

The family has, however, agreed that to introduce a few minor changes each year is acceptable. We have found that a peppery purée of mild onions or a dish of breadcrumbs fried in butter makes a pleasant alternative to the ubiquitous bread sauce; while bacon-flavoured crisps, braised celery and chestnuts make refreshing changes after years of conventional purée or roast potatoes and brussels sprouts. But the most popular area for change lies in stuffings.

As a family we have never been hooked on the classic combination of sage, onion and breadcrumbs so beloved of the British—apart from anything else, it spells death to wine. So, over the years we have experimented with all sorts of variations, often using fruit, nuts, spices, rice and toasted cubes of bread. Here are a few of our favourites.

But first a word about quantities. The amounts given here are about right for a 10 lb bird. If you have managed to persuade your family to choose duck or pheasant instead of turkey, you will only need about half the quantity. Incidentally, it is worth remembering that, despite the name, stuffings can be cooked equally well outside the bird. In fact, a stuffing which contains raw meat should never be cooked in the body cavity (because it may not be adequately cooked by the time the bird is done and this, of course, involves a health hazard).

PORK AND PRUNE STUFFING

1 lb prunes, 1 lemon, ½ pint red wine, cold tea, ½ lb best pork sausagemeat, 1 onion, 1 egg, 2 oz butter, dried thyme and marjoram, salt and freshly ground black pepper.

Put the prunes in a small pan. Add the lemon cut into thick slices, the wine and enough cold tea to cover the prunes. Bring slowly to simmering point, cover and cook for 10 minutes, then set aside until quite cold or leave overnight. Chop the onion and fry it very gently in the butter. Away from the heat, stir in the sausagemeat together with good seasonings of salt, pepper, thyme and marjoram. Drain and stone the prunes, reserving the liquid. Chop the prunes coarsely and add them to the pork. Add the raw egg and beat until well blended. If necessary moisten the mixture with a little of the reserved prune liquor. Use immediately.

BACON AND OLIVE STUFFING

¼ lb black olives, ¼ lb green back bacon rashers, ¼ lb mushrooms, 1 small onion, 1 large garlic clove, 3 oz white breadcrumbs, 1 egg, 2 oz butter, salt, pepper, fresh parsley.

Chop the onion finely and crush the garlic. Cook them gently in the butter for a few minutes. Cut the bacon into matchstick strips and slice the mushrooms. Add them to the pan and continue cooking gently until the mushrooms have given up most of their liquid. Away from the heat, stir in the breadcrumbs, a tablespoon or so of chopped parsley, the raw egg, a little salt and a good seasoning of pepper. Stone the olives, chop the flesh roughly and stir into the stuffing until well blended.

APRICOT & ALMOND STUFFING

¼ lb dried apricots, 3 large juicy oranges, 3 oz blanched whole almonds, 1 medium onion, 2 oz butter, 6 oz fresh brown breadcrumbs, cinnamon stick, salt, freshly ground black pepper, fresh parsley

Grate the orange zest finely into a small saucepan. Squeeze the orange juice and add it to the pan. Add the apricots and a few spoonfuls of water if necessary: the fruit should be just covered with liquid. Bury a small piece of cinnamon stick among the fruit. Place over low heat and bring to simmering point, cover and simmer for 3-4 minutes; then set aside in a cold place overnight.

Melt the butter in a frying pan, add the finely chopped onion and cook gently until tender. Away from the heat stir in the crumbs. Chop the apricots and add them to the pan together with 2-3 tablespoons of their liquor. Add the coarsely chopped almonds, a few tablespoons of chopped parsley and a seasoning of salt and pepper. Stir and mix well.

MIXED FRUIT STUFFING

2½ oz crustless white bread, 1 orange, 1 crisp eating apple such as a Cox, 2 oz stoned raisins or sultanas, 1 oz butter, 4 tablespoons red wine, 2 oz walnuts, nutmeg and salt.

Dice the bread and toast it in the oven until brown and crisp all over. Sauté it in the hot butter and set aside to cool. Peel the orange removing all bitter white pith, chop coarsely and remove pips. Peel, core and chop the apple, and chop the walnuts. Add the dried fruit and the cold diced fried bread. Pour on the wine, stir to mix well, season to taste with salt and freshly ground nutmeg. Cover and set aside for 1 hour before using.

RISOTTO STUFFING

5 oz long grain rice, ¼ lb butter, 1 onion, ¼ lb celery, 6 oz mushrooms, 2 oz walnuts, fresh parsley, dried marjoram, salt and pepper.

Boil the rice in chicken stock and drain well. Chop the onion finely, slice the celery thinly and slice the mushrooms thickly. Fry the onion gently in the butter for a few minutes. Increase the heat, add the mushrooms and celery and sauté. Away from the heat stir in the chopped walnuts and the rice. Season generously with salt, pepper, chopped parsley and a little marjoram.

Arthur Lucas restoring "The Adoration of the Golden Calf"

The Poussin restored

ART
WILLIAM PACKER

One day early last April, in a matter of seconds, "The Adoration of The Golden Calf," the National Gallery's great Poussin, was reduced to five pieces of tattered cloth lying stretched and pathetic upon the floor. The effects, as we could see for ourselves when we were shown the painting some days later, were indeed sickening: and even then, when it had become clear that a restoration of some kind at least was possible, the sense of the shock suffered by those most closely concerned with it had not entirely been dispelled. Now we learn that the work has been completed, just as Arthur Lucas, the gallery's chief restorer had said it would be, in time for Christmas, the picture itself returned to public display.

It is a remarkable achievement, and Mr. Lucas is owed by all of us a great debt of gratitude. He is about to retire, this his last major undertaking, and he could hardly have asked to leave on more spectacular a note. But it is also a note of deep sadness, for, as he was the first to point out when he met the Press earlier this week, he would much rather have spent the many hours this work demanded upon the other paintings that, had the outrage never occurred, would more naturally and calmly have claimed his attentions. The Poussin was in extremely good condition, and the wasteful, wanton stupidity of the assault, still hurts.

The picture can never be restored to what it was, of course, for Mr. Lucas is not Poussin, and the essential damage, and our awareness of it are irreversible: but we have been very lucky to have him, for he is immensely skilful, patient and sympathetic. He says he has had more difficult tasks, which is hard to credit, this certainly being so appallingly difficult. Stretched out of shape, the fragments had to be shrunk and dried and teased back into true, each thread in line before ever the work on the surface could start: and then came the filling, the matching of texture, ground and colour, finally the infinite pains of creative reconstruction. And we had luck, too, if we can bring ourselves, like Mrs. Lincoln's interlocutor, to think on the brighter side of a ghastly event, in the actual dismemberment, which miraculously avoided the major figures, and in tearing for the most part fairly cleanly, considerably restricted the loss of paint. The crazing that so alarmed us those few months ago was merely the varnish, which has been renewed. It remains to say that, even with the aid of the photographic evidence, Mr. Lucas' ministrations are susceptible only to the closest examination. In congratulating and thanking him we must pray, too, that his successors never face such a dreadful imposition.

Emperor Jones

RADIO
ANTHONY CURTIS

On Tuesday night the scheduled programme on Radio 4 about the life of J. M. Barrie was replaced by one compiled in San Francisco on the Rev. Jim Jones. The recent events in Guyana culminating in mass suicide are a long way from Peter Pan but whoever decided they should be given the slot made a good decision.

This programme *The People's Temple: An American Tragedy*, produced by Keith Hindle, and presented by Bernard Mayes, was vividly and harrowingly informative about the whole episode. If one had not known that it had all really happened one might indeed have thought one was listening to a piece of contemporary fiction. The literary parallel that kept occurring to me was Conrad's *Heart of Darkness* where a journey to the interior leads to a similar discovery of evil perpetrated by a charismatic leader ("Mistah Kurtz—he dead") upon slave-disciples who adored him.

Jim Jones is now dead too but there remains a great deal of him available on tape—material used by Mr. Mayes to create a full portrait of this tubby handsome demagogue who claimed he was of Cherokee descent and whom the presenter had met several times when his movement was still based in America. Ironically one of their meetings was at a mass-rally on the Golden Gate bridge to publicise the cause of *suicide prevention*.

Jones spoke eloquently for some time declaring suicide to be "a symptom of an uncaring society." He had a glib, plausible manner, a fluent knowingness on every subject under the sun and all the latest smart sociological jargon as well as the New Testament at his finger-tips. It was all too easy to understand how his talk of revolution and a better life could have taken in large numbers of simple people and persuaded them to give him all they had. "We preach inclusiveness," he explained to an interviewer, extending an invitation to "all people who have been to some degree left out of the process of economic success to unite in the common struggle."

In its beginnings his movement did perform a useful service in the neglected area of social work. He organised outings and picnics for young people, meals for the old, and other forms of welfare. The kids wore red shirts and black ties. He appealed to them through music as well as speeches. A Temple choir and a rock-band were formed of which recordings were played on the programme. Both were very seductive musically and by 1977 Jones had something like 9,000 followers for his People's Temple and investments worth several million dollars. The authorities were curious about the movement but not curious enough, and for a while the ugly rumours were discounted. He was not the first self-styled faith-healer with an enthusiastic following California had known.

However he decided shrewdly that the time had come to make a move and went to Guyana where he established Jonestown, a collection of huts and a pavilion on the edge of the jungle. We listened to accounts of its life-style by survivors, people who were there from the start: it contained all the ingredients of a terror-camp. Jones behind his dark-glasses haranguing the over-worked and under-fed mass who had to address him as father. The armed guards and the thuggish gang of "counsellors" to administer terrible beatings on the recalcitrant or rebellious, or jabs with electric cattle-prods to bring them into line. Poisonous snakes infested the incompetently cultivated land, and there were doctors in his clutches, rehearsing a project known as White Night, eventually preparing the vats of fruit-flavoured cyanide mixed with tranquillizers with which it was implemented.

When Leo Ryan, the Californian congressman who had come to investigate and three journalists with him, were approaching the airstrip to leave, an old woman and then some other defectors, insisted on going with them. At this point Jones seems to have decided that the party should be "taken care of." More people died in the holocaust that followed than were killed in the whole of the San Francisco earthquake.

Mr. Mayes' calm factual narrative of all this on radio is the most complete account of the People's Temple we have yet had; it had the effect on me of making the rest of the week's radio seem somewhat irrelevant. Investigations are continuing as to how and why the Jonestown suicides happened. It is certainly not just an American problem even though California is a notorious breeding-ground for fake religion.

Tom Stoppard has considerably re-written his first success *Rosencrantz and Guildenstern Are Dead* for performance on radio. The play will be performed in its revised form on Christmas Eve on Radio 3. Edward Petherbridge plays Guildenstern and Edward Hardwicke Rosencrantz. Martin Jarvis is Hamlet, Freddie Jones the Player and Maxine Audley Gertrude. The director is John Tydeman.

Clifton Todd and Norman Warwick

Leonard Burt

Robinson Crusoe

PANTOMIME
ANTONY THORNCROFT

The Players Theatre thrives as the custodian of the British music hall tradition. An easy going, intmiate place it devotes itself as much to eating and drinking as to singing and abusing the artists, and its tucked away location beneath the arches at Charing Cross enables the members (for it is a club) to keep up a good natured fight with the trains rumbling overhead.

Every year it presents a pantomime which is supposedly more in the Victorian tradition than most—no television stars, no pop songs (although the use of big names and contemporary hits was as much a part of pantomime a century ago as today). The Players is different because there is an affectionate feeling for the past and a bond between performers and audience. This year it is presenting Robinson Crusoe, or "Tempest Fugitive," and it is a delight.

The director Reginald Woolley has cleverly blended the best bits of Daniel Defoe's classic with Shakespeare's The Tempest, so Miranda is available as Crusoe's daughter to prettify the island at the finale, and Merry'ell, an Ariel figure, adds magical elements. There is enough charm and panache around to make the plot irrelevant, but it is all to do with the deserted island being the Isle of Wight abandoned by Queen Victoria and its other inhabitants following the arrival of Wagner and the Maestersingers in full voice determined to wrest away the Queen's affection for the more gentle melodies of Mendelsohn. Or something like that.

In fact, there are few elements of Victorian pantomime on show — no sentiment; no solo turns; no stock characters. This is thoroughly modern and sophisticated stuff, enriched by using some of the best 19th-century melodies for the music. The first act closes with a Wagnerian medley and the Fairy Queen, Queen Anne ("no half sovreign, but no antique") has the show stopper in the second half with a plea for Victoria to return to Osborne House to the tune of the Song Without Words. There are favourite flashes of Bizet and Offenbach, Meyerbeer and Sullivan, to prevent any musical longeurs and the Players singing tradition ensures choruses of Doyly Carte if not Covent Garden standard.

For a pantomime the script is quite witty. The dreadful rhyming couplets and awful puns never get out of hand, neither does the innuendo nor the contemporary allusions. They are there to be found and relished like sixpences in the pudding. And the performances are of a standard, polished but not precocious. Perhaps there is a slight lift when Catherine McCord is on stage as the snobbish Fairy Queen, sending Miranda to Roedean and anxious to be on visiting terms with Queen Victoria, and Michael Darbyshire as Lord Alphonse is stylish and droll.

The attraction of pantomime is the variety in the cast—no taut, two hander, here. Clifton Todd is an energetic Crusoe and Norman Warwick a droll Friday. Annamaria Machi is very pretty as Miranda and Josephine Gordon is an energetic sprite. Most of the company have to make a lot of small opportunities but since the finished effect is an evening of good clean uplifting fun they can find satisfaction in the generous applause.

CHESS SOLUTIONS

Solution to Position No. 246

1 BPxP! 2 BxP (else he loses the QP), PxP ch; 3 KxP,QNxB; 4 NxN, NxN! 5 KxN, K-N4 and White resigned. If 6 N-Q3,BxN ch; 7 KxB, P-KR5! with an easy win in the pawn endgame, and otherwise White is playing practically a piece down.

Solution to Problem No. 246

1 N-B5 dis ch, P-N3; 2 PxP ch, K-R1; 3 P-B8(Q) ch, RxQ; 4 RxR ch, K-N2; 5 N-Q6 mate.

THEATRES THIS WEEK . . . AND NEXT

COTTESLOE—*Herod:* A musical built around Latin plainsong with a few dramatic incidents.
COMEDY—*Mate!*: Britt Eckland in a lamentable farce about sex.
OPEN SPACE—*A Respectable Wedding:* Funny Brecht. This play shows the German playwright as witty as Ayckbourn.
PICCADILLY—*A Night with Dame Edna:* La Everage and other Australian caricatures brought to hysterical life by Barry Humphries.
BUSH THEATRE—*The Dalkey Archive:* An hypnotic adaptation of a Flann O'Brien novel by the Hull Truck.
HAYMARKET—*The Millionairess:* Penelope Keith enlivens this late Shaw piece about the evils of capitalism.

The Christmas shows get into full swing with David Wood's musical for children, *The Gingerbread Man*, returning again to the Old Vic: a lavish new pantomime of *Aladdin* with Danny La Rue as Widow Twankey starting at the Palladium on Wednesday, and *Peter Pan*, with Jane Asher on the wires, bringing some traditional magic to the Shaftesbury, also from Wednesday. Elsewhere, in tougher vein, *Blame it on the Borgias* opens at the Theatre Upstairs on Tuesday, and *Saratoga*, a great American hit of the 19th century, at the Aldwych from Thursday.

TV/Radio

† Indicates programme in black and white

BBC 1

9.10 am Take Another Look.
9.30 Programme cancelled.
12.15 pm Grandstand. Football Focus (12.20). Racing from Ascot (12.45, 1.15, 1.45) with comentaries. Badminton (1.00, 1.35) The Ladbroke Trophy. International Rugby Union (2.5) The Barbarians v The All Blacks. Cricket: Second Test (3.50) Australia v England. International Show Jumping (4.5). 4.40 Final Score. 5.10 The FA Cup Draw.
5.20 The Pink Panther Show.
5.35 News and Weather.
5.45 Sport/Regional News.
5.50 The Basil Brush Show.
6.20 Dr. Who.
6.45 Larry Grayson's Generation Game.
7.40 All Creatures Great and Small.
8.30 Some Mothers Do 'ave 'em.
9.05 Starsky and Hutch.
9.55 News.
10.05 Match of the Day.
11.15 Weather.

All Regional programmes as BBC-1 except at the following times:

Wales—8.50-9.10 am Take Another Look. 9.10-9.30 Bobol Bach (cyfres). 5.45-5.50 pm Sport/News for Wales. 12.35 am News and Weather for Wales.

Scotland—4.55-5.20 pm Scoreboard. 5.45-5.50 Sports summary. 10.05-10.45 Sportscene. 10.45-11.35 Rod Stewart Concert. 12.35 am News and Weather for Scotland.

Northern Ireland—5.00-5.10 pm Scoreboard—Sport in Northern Ireland. 5.45-5.50 Northern Ireland News. 12.35 am News and Weather for Northern Ireland.

BBC 2

2.25 pm Saturday Cinema: "Snow Treasure," with James Franciscus.
4.00 Play Away.
4.30 The Ghost Hunters.
5.20 Test Cricket. Australia v England.
5.50 My Music.
6.15 Old Grey Whistle Test.
6.55 News.
7.10 Network.
7.40 Cyrano de Bergerac: Ballet.
9.20 No broadcast due to strike.
9.50 Film: "Ludwig: Requiem for a Virgin King," starring Harry Baer.
11.05 Weather.

LONDON

8.50 am The Saturday Banana, with Bill Oddie. 9.00 Sesame Street. 9.45 The Saturday Banana (part 2). 10.15 The Monkees. 10.45 The Saturday Banana (part 3).
11.30 Tarzan
12.30 pm World of Sport.
12.35 Headline—Includes World Cup Ski-ing from Italy. 1.15 News. 1.20 The ITV Seven. From Nottingham 1.30, 2.00, 2.30, 3.00; Catterick 1.45, 2.15, 2.45. 3.10 International Sports Special—Motocross from Tweseldown, Hampshire. 3.50 Half-Time Soccer Round-up. 4.00 Wrestling from Blackburn. 4.30 Results Service.
5.20 News.
5.30 Happy Days.
6.00 Bruce Forsyth's Big Night.
7.30 The Incredible Hulk.
8.30 Sale of the Century.
9.00 The Professionals.
10.00 News.
10.15 By Alan Bennett . . . Six Plays.
11.35 Michel Legrand and Friends.
12.30 am The Practice.
1.00 Close: Painting by Monet, music by Debussy.

All ITV regions as London except at the following times:

ATV

9.10 am Play Guitar. 9.35 Make It Count 10.05 The Lost Island 10.30 Tiswas. 5.20 pm Spiderman. 5.30 Mork and Mindy. 9.00 The Sweeney. 11.35 Dan August.

BORDER

11.35 pm S.W.A.T. Kill Swat.

CHANNEL

12.18 pm Puffin's Pla(i)ce 10.00 News followed by Channel Islands Weather. 11.35 Barnaby Jones Fraternity of Thieves.

GRAMPIAN

9.00 am Scene on Saturday. 9.05 Cuir Car 9.30 The Beachcombers. 10.00 Sesame Street. 11.00 Lassie "Charlie Banana" 11.30 Joe 90 "Splashdown." 12.00 Monkees 10.15 pm Alan Bennett presents. 12.35 am Reflections.

GRANADA

9.30 am Make it Count. 9.55 Sesame Street. 10.55 Saturday Matinee. 11.45 pm Late Film: Tom Adams in "Licensed to Kill."

HTV

9.05 am Doctor! 9.30 Ten on Saturday. 9.45 Lassie. 10.15 Batman (part 1). 10.30 Tiswas 11.15 Batman (part 2). 11.30 Pop Spot. 11.35 Ten on Saturday 11.40 Star Maidens. 12.10 pm Popeye 12.20 Ten on Saturday. 11.35 Barnaby Jones.

HTV Cymru/Wales—As HTV General Service except, 5.30-6.00 pm Y Bobl A'u Can.

HTV West—As HTV General Service. 9.00 am Tarzan 11.30 Lucan. 5.30 pm The Mary Tyler Moore Show. †11.35 Late Call—Rev James Gilfillan, Old Parish Church, East Kilbride. 11.40 S.W.A.T.

SOUTHERN

TYNE TEES

... ing Film. "Kung Fu" 12.15 pm Lyn's Look-in. 5.15 Popeye. 11.15 Barnaby Jones 12.15 am Epilogue.

ULSTER

10.00 am Saturday Morning Movie: "The Custard Pie Parade" 11.30 Sesame Street. 5.30 pm The Beverly Hillbillies.

WESTWARD

9.05 am Lucan. 9.50 Untamed World. 10.20 Rogues of Sherwood Forest. 11.45 Cartoon Time. 11.55 Look and See 12.00 Just the Job. 12.25 pm Gus Honeybun's Birthdays 11.35 pm Barnaby Jones. 12.30 Faith for Life.

YORKSHIRE

9.20 am Space Ghost and Dino Boy. 10.15 You Can Make It 11.30 Six Million Dollar Man 11.35 pm Richie Brockleman.

RADIO 1

(S) Stereophonic broadcast

5.00 am As Radio 2 7.00 Playground 8.00 Ed Stewart with Junior Choice. 10.00 Peter Powell. 1.00 pm Adrian Juste (S). 2.00 Paul Gambaccini (S). 4.31 Rock On (S) 5.30 It's Rock 'N' Roll (S). 6.31 In Concert (S). 7.30 Mike Read. 10.00 Discovatin'. 12.00-2.00 am As Radio 2

VHF Radios 1 and 2—5.00 am With Radio 2. 1.00 pm With Radio 1. 7.30-8.00 am With Radio 2.

RADIO 2

5.00 am News Summary 5.02 Tom Edwards (S) including 8.03 Racing Bulletin. 8.06 David Jacobs (S) 10.02 Tony Brandon (S) including 10.30 ... Cricket: Second Test. 12.02 pm Cleo Laine (S). 1.02 The News Headlines. 1.30-6.00 Sport On 2. Rugby Union (1.30, 2.15, 4.50, 5.25) Barbarians v All Blacks. Football League (1.30, 2.00, ...) ... Bobby Moore (S). 8.30 Syd Lawrence Orchestra (S). 9.30 Saturday Night with the BBC Radio Orchestra (S). 11.02 Sports Desk. 11.10 Ray Moore (S) with The Late Show, including 12.00-2.00 am News Summary.

RADIO 3

‡Medium wave only

‡5.35-10.15 am Cricket: Second Test Australia v. England. 8.00 News. 8.05 Aubade (S). Concert: Leher, Coleridge-Taylor, Rodgers, Gershwin; records. 9.00 News. 9.05 Record Review (S). 10.15 Stereo Release (S) of music by Schubert, Webern, Mancini, Stravinsky. 11.30 Bruckner's Discarded Fourth Symphony (S) with introductory talk by Robert Simpson. 1.00 pm News. 1.05 Schubert (S) Chamber music 2.05 Man of Action (S) Chapman Pincher 3.20 Frederick Thurston plays Bliss. 3.50 BBC Symphony Orchestra Concert (S) Berg, Chopin 5.00 Jazz Record Requests (S) 5.45 Critics' Forum. 6.35 The Classical Guitar (S). Illustrated talk. 7.30 Winchester Cathedral Christmas Concert (S) (part 1) Schütz, Gabrieli, Monteverdi. 8.10 Interval Reading. 8.15 Concert (part 2), Harvey, Bach. 8.55 Penny Mamements (S). A dip into Samuel Pepys' collection. 9.25 Clifford Curzon (S) plays Schumann. 9.55 Parallel Voices. Giacomo Lauri Volpi, tenor and writer 10.55 Sounds Interesting (S) Derek Jewell with records. 11.45 News 11.50-11.55 Tonight's Schubert Song (S).

RADIO 4

6.25 am Shipping forecast. 6.30 News. 6.32 Farming Today. 6.50 Yours Faithfully. 7.00 News. 7.10 On Your Farm. 7.40 Today's Papers 7.45 Yours Faithfully. 7.50 It's a Bargain. 7.55 Weather. 8.00 News. 8.10 Sport on 4. 8.45 Yesterday in Parliament. 9.00 News 9.05 International Assignment 9.30 The Week in Westminster. 9.55 Review of weekly magazines. 10.15 Daily Service. 10.30 Pick of the Week (S) 11.20 Time for Verse. 11.30 Wildlife. 11.55 Speigel on Saturday with Fritz Spiegel. 12.00 pm News. 12.02 Away from it all. 12.27 You've got to be Joking (S). 1.00 News. 1.10 Any Questions? 1.55 Shipping forecast. 2.00 Bookshelf 2.30 Saturday-Afternoon Theatre (S) "In Dulce Jubilo," by Sarah Maxwell. 3.30 Does he take Sugar? 4.00 You, The Jury. 4.45 Enquire Within: Listeners' questions. 5.00 Preludes to Shakespeare. 5.25 Week Ending (S). 5.50 Shipping forecast. 5.55 Weather. 6.00 News 6.15 Desert Island Discs. 6.50 Stop The Week with Robert Robinson. 7.30 Baker's Dozen (S) Richard Baker with popular classics. 8.30 Saturday-Night Theatre (S) "When the Snow Lay Round About," by James Forsyth 10.00 News. 10.15 A Word in Edgeways. 11.00 Lighten our Darkness 11.15 Singer's Choice: Luisa Tetrazzini. 11.45 Just Before Midnight (Play). 12.00 am News. 12.15 Shipping forecast.

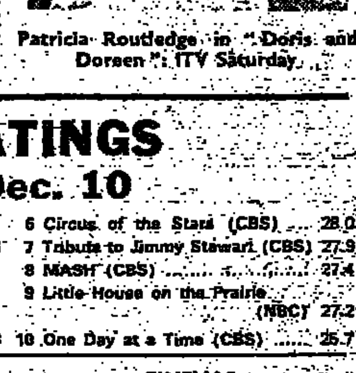
BBC Radio New Wavelengths

1	1053kHz/285m 1089kHz/275m	3	1215kHz/247m & 90-92.5vhf stereo
2	693kHz 433m 909kHz/330m & 88-91vhf stereo	4	200kHz/1500m & 92-95vhf

WEEKEND CHOICE

SATURDAY: A French TV version of Roland Petit's ballet *Cyrano de Bergerac* is screened by BBC2 with Denys Ganio as Cyrano, Evelyne Desutter as Roxane and Pierre Boisserie as Christian. ITV give us *Doris and Doreen*, the second in a series of plays by Alan Bennett, here exploiting his extraordinary ear for office jargon and bitchery, with one of our best comediennes playing Doris.

SUNDAY: The last episode of *A Horseman Riding By* on BBC1 is followed by an annoyingly difficult choice: *Paper Moon* with the amazing (and for this film Oscar-winning) Tatum O'Neil on BBC1; *As You Like It* shot on location at Glamis Castle with Helen Mirren, James Bolam and Angharad Rees on BBC2; and the last part of *Lillie* in which Edward VII dies and Lillie inherits his dog Caesar on ITV. I'd plump for *Lillie* assuming that the others will inevitably be repeated.—C.D.



Patricia Routledge in "Doris and Doreen": ITV Saturday.

TV RATINGS
w/e Dec. 10

U.S. TOP 10 (Nielsen ratings)

1 Three's Company (ABC)	33.6	6 Circus of the Stars (CBS)	28.0
2 Laverne and Shirley (ABC)	33.1	7 Tribute to Jimmy Stewart (CBS)	27.9
3 Happy Days (ABC)	30.5	8 MASH (CBS)	27.4
4 60 Minutes (news) (CBS)	29.3	9 Little House on the Prairie (NBC)	27.2
5 Taxi (ABC)	28.8	10 One Day at a Time (CBS)	25.7

LEISURE

THE CHRISTMAS TASTE TEST

The proof of the puddings

By ARTHUR SANDLES

Anxiously, we watched and waited. The fork hovered for a moment, and then the bite was taken. "Mmmm . . . ," said the Lord Mayor in a tone that suggested neither praise nor disappointment. We waited for a few seconds more. "Mmmm . . . that really has a nice flavour, but I really would like a little more fruit."

And so the *Financial Times* annual Great Pudding Taste was on its way again. The Lord Mayor of London, Sir Kenneth Cork, was one of the assessors in this testing of the 1978 vintage. Fourteen puddings had been assembled to represent a growing array of brands. There were puddings from Harrods, puddings from Mrs. Peek, puddings from Marks and Spencer and puddings from Littlewoods. Fruity puddings, stodgy puddings, light puddings and dark puddings—all prepared in the Savoy kitchens according to their manufacturer's instructions and served on individual plates so that the strong did not infect the weak with their flavour.

The FT pudding panel is growing expert in the assessment game rapidly learning that puddings are not always what the pretty picture on the packs suggest. Sir Hugh Wontner, chairman of the Savoy Group, was a newcomer to the circle and showed dangerous signs of addiction towards the end, an occupational hazard that might explain why one of our normal pudding group, Sir Charles Forte, excused himself this year but insists on being present in 1979. Other judges were the Savoy Maitre Chef des cuisines, Silvano Trompetto, and our own women's editor, Lucia van der Post.

Expense is clearly not the most important factor in the pudding game. Our cheapest pudding cost 74p at Safeways and although Trompetto thought it "too dark and too hard" and Miss van der Post thought it "dull," Sir Kenneth and Sir Hugh were both tempted by its texture and enthusiastic about its taste. These verdicts were somewhat similar all round to those on our most expensive two-pounder, a £4.50 production from Crabtree and Evelyn. The extra disadvantage of this pudding the judges saw as being its solidity and relative dryness.

Dryness might, of course, be a disadvantage in our type of test. Not for our brave tasters the pleasures of brandy butter or even cream. The puddings had to stand on their own, the judges being allowed only an occasional palate rinse to keep them going.

At times that going was difficult. "Watch this," cried the ever perky Trompetto, pushing the convex side of a spoon hard against the top of a particularly solid looking offering. Deeper the spoon sank, but still there was no sign of a break in the pudding's remarkably resilient surface. Then the spoon was released. Up it soared as if assisted by some tiny trampoline. "That," muttered our Maitre Chef ominously, "was obviously made of old car tyres."

Sir Hugh seemed suddenly attracted by one pud. He smelt it: "Reasonable," he announced with the hint of a smile at the cheekiness of the bouquet. He cut into it: "Very good," he effused, noticing the appealing texture for which all judges were searching. And then he tasted it. In fact I thought his reaction remarkably polite. "Not," he declared. "Not as good as it could be." Clearly Sir Hugh is a diplomat, and clearly, in puddings, things are not always what they seem.

The overall view of this year's vintage was that the gap between the best and the worst has widened considerably, but that the best are somewhat better than they were last year. The British pudding is improving. Pudding eating is, however, very much a question of taste. This might be why our group felt that Harrods new nuttier pudding, with added cherries, was not an improvement on the original. It might also explain why the St. Michael pud did not receive quite the enthusiastic notices that it has done in the past. Pudding afficianados may instead be heading for Jacksons of Piccadilly whose pudding won consistent praise.

After tasting the Lord Mayor presented one of London's really great puddings, the Savoy's own, prepared by Trompetto, to Sister Linn Green and Staff Nurse Wendy Royds of St. Bartholomew's Hospital London.


The Lord Mayor ponders . . .


. . . Trompetto considers.

Pictures: Trevor Humphries


Lucia plunges . . .


. . . Sir Hugh pauses.

Suitable gifts—slightly used

ALTHOUGH THE term "Christmas Box" is of great antiquity, I suspect that the wholesale annual trading of presents, useful or distressing, in which we now customarily indulge, is a very modern commerce.

The original Christmas box was simply a small, pear-shaped clay money-box in which, from the middle ages up to the 17th-century, 'prentices saved farthings and halfpennies for a share-out in the festival season. But present-giving played no great part in the ceremonials of Christmas jollity which Dickens sanctified. When Prince Albert brought the Christmas tree to this country, the surprises with which it was laden would probably have been no more than tiny favours or fruit or twists of sweets. The Victorian Santa would never have dreamed of lumbering himself with offerings on the scale of video-cassette recorders, electric organs, fur coats or even digital watches.

Already a hundred years ago however, the great Christmas commerce was well under way—an outcome, perhaps of the rapid industrial development of the mid-Victorian period. The newspaper advertisements of Christmas, 1878, already hint at a consumer society, with their wholesale offers of greetings cards and helpful suggestions for presents. Ten thousand suitable gifts proposed by Parkins and Gotto of Regent Street ranged from ink stands and tea caddies to the new Doulton ware, magic lanterns and games compendiums. The Goldsmiths' Alliance suggested rings from £2 to £500 or, for gentlemen, studs from £1 to £50. . .

The Christmas annuals and new Christmas music catered for shallower pockets and family entertainment. There was a "Merry Christmas Schottische" for 1878, and a Special Christmas Album of 24 new piano pieces by P. Tchaikowsky, recommended by the reviews as "sterling value."

For the middle class family, the children already loomed large and costly. Christmas for the well-to-do child was unthinkable without a visit to the Lowther Arcade, London's Aladdin's cave of toys in the last quarter of the nineteenth century.

One hundred years ago, then, Christmas may already have been commercialised; but the season and the artefacts associated with it have now an intense nostalgia. Jeremy Cooper who has recently converted a Victorian school near the British Museum into a very pleasant antiques gallery specialising in the decorative arts of 1830-1930 (9 Galen Place, Little Russell Street) has currently an amusing exhibition of "Victorian and Edwardian Christmas presents."

The exhibition speculates rather imaginatively what our grandparents and great grandparents might have given one another; and offers us a chance to give the same. Prices range from 50p for a wooden jigsaw puzzle to £440 for a musical necessaire in the shape of a miniature grand piano.

A collection of printed commemorative hankies and scarves (priced between £1 and £30) tend to the patriotic, with souvenirs of Victoria's Jubilees and Edward's Coronation. A Coronation scarf illustrates "Coming Events in the Present Century," among them a picture of a moustachio'd gentleman with a lot of wires and a speaking horn, "having a talk with the man in the moon." It is arguable, though, whether an ear trumpet of c.1850 (priced at £38) would come into the category of Useful or Imaginative.

Old toys have a special nostalgia. Jeremy Cooper has a selection, including this clockwork "Baulky Mule," made in Germany around six decades ago and still in perfect working order (£75).

Sotheby's Belgravia has a well-timed two-day sale on Wednesday and Thursday, with several hundred lots of 19th- and early 20th-century dolls, toys and games. There is a large section of Disneyana, including a 1930 Micky Mouse organ grinder, estimated at £150-£250. Among the earlier French and German tinplate toys, my favourite is a Lehmann "Naughty Nephew" motor-car of c.1910. When the car is wound up, a small boy in a sailor suit endeavours to grab the steering wheel while his uncle, seated opposite, very properly slaps him.

These venerable toys are no longer for children to play with: but Pollocks' Toy Museum in Whitfield Street still permits them to share Victorian childhood pleasures. Pollocks sell a wide variety of traditional toys, apart from the model theatres which are their principal stock-in-trade and *raison d'être*.

You won't find anything in plastic: but Pollocks' toys are jolly and colourful and quite without any of the chilling, puritanical blandness of the "improving and educational" toy. There are rag dolls to be cut out and stuffed, wallpaper and suites of wooden furniture for dolls' houses, and a wide variety of cut-out toys. From Denmark there are reproductions of pretty 19th-century paper cornucopia to fill with sweets and hang on the Christmas tree.

The cut-out theatres are still the best value. They are still made in styles and designs that kept generations of Georgian and Victorian children quiet and busy; some of the reprinted plays date from the 1830s and 1840s. Prices for Pollocks' own cut-out theatres start at a little over £1, complete with scenery and characters; or you can buy costlier reprints of florid German and Danish theatres of the 1880s. The only risk in giving a Pollock theatre for a present is that you might be wrenched from the telly to watch a performance of *Cinerella* or *The Corsican Brothers* on the dining table.

JANET MARSH

CHESS

LEONARD BARDEN

THE CURRENT move into antiques and objects d'art as a hedge against inflation has its counterpart in chess. Certain chess books have always been difficult to track down, and collectors report that many second-hand items are nowadays practically unobtainable.

This has given a stimulus to the reprinting industry, and various firms have decided to reprint old classics for the benefit of the serious student and researcher.

The British Chess Magazine has reprinted many fine tournament books, both German and English, such as London 1883 and Carlsbad 1911.

There is a still more interesting choice of titles in the Dover series which are marketed in this country by Constable. For the modest cost of around £2 it is possible to purchase reprints of such deservedly famous events as New York 1924 (won by Lasker ahead of Capablanca and Alekhine) which, with Alekhine's extensive notes is often considered the best-ever tournament book; Nottingham 1936, in which five world champions participated; and Botvinnik's deep analyses of the USSR Absolute Championship of 1941.

Such reprints hardly affect the price of the rare originals, since collectors tend to be a separate breed from the keen player.

Oxford University Press also promise a series of volumes giving all the significant games played in the 19th century, and a good selection of the main 20th century events.

One welcome project is the intention of the Chess Player of Nottingham to reprint the seven volumes of Steinitz's "International Chess Magazine" published in New York between 1885 and 1891.

This is one of the rarest items on the second-hand market and the material it contains has a dual interest. On the one hand there are the thoughts of Steinitz in his mature period on his theory of positional play that is the basis of modern chess. On the other hand its "Personal and General" column contains some of the most vigorous personal controversy in the history of chess.

A contemporary critic maintained that Steinitz had dipped his pen in vitriol, and even a cursory reading of such epithets as "inky ruffian" makes one realise why the crotchety world champion made so many enemies.

Even the Russians have decided to move into this market by reprinting Petroff's 1824 textbook. The original came out in only 300 copies, whereas the reprint is an edition of 8,000 at a price of 17 roubles (£19).

There has always been controversy among chess historians as to where Petroff (who gave his name to the defence 1 P-K4, P-K4; 2 N-KB3, N-KB3) stood in relation to the pawn-orientated theory of Philidor and the piece-play theory of the Italian school of Lolli and Ponziani.

The book indicates that Petroff favoured lively play, but realised the strength of a massive pawn centre or a gradual advance of a wing pawn majority.

The book's 400-odd pages give attention to middle game and ending as well as opening. The curiosity in the opening section is that Petroff analyses the main line of Alekhine's Defence which is considered the quintessence of hypermodernism. His comments run: 1 P-K4, N-KB3; 2 P-K5, N-K5 ("if Black steps with knight to Q4, then P-QB4 followed by P-Q4 and White will have free play for all his pieces"); 3 P-Q3, N-B4; 4 P-Q4, N-K3; 5 P-Q5, N-B4; 6 P-QN4, KN-R3; 7 P-QR3 ("White's game is well developed; his bishops and knights can act freely").

The most recent and interesting "classical reprint" is a Dover-Constable version of one of the greatest postwar tournaments, the Piatigorsky Cup at Santa Monica, 1966. Spassky won, but a highlight of the play was a brilliant recovery by Bobby Fischer from last place at half-way to a challenge for first prize in the last round.

A virtually unique feature, which makes "Second Piatigorsky Cup" (Constable, £2.35) valuable for the student is that most of the grandmasters annotate all their games, win, lose or draw, with some resulting instructive differences of viewpoint. Characteristically, Fischer was the only unco-operative participant and his contribution is limited to notes to his win over Najdorf.

POSITION No. 246

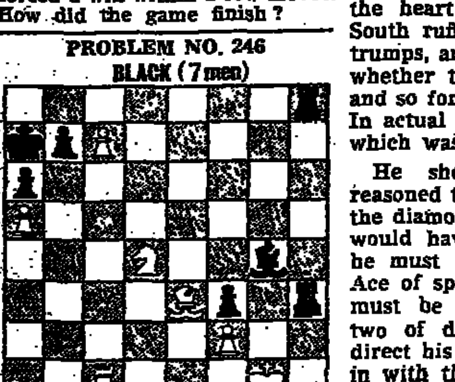
BLACK (11 men)

WHITE (11 men)

Donner v. Ivkov, Piatigorsky Cup 1966. At first sight an even endgame, but Black (to move) forced a win within a few moves. How did the game finish?

PROBLEM No. 246

BLACK (7 men)



WHITE (7 men)

White mates in five moves at latest; against any defence. An easy puzzle, but one of historical interest; it comes from Petroff's 1824 book referred to above.

Solutions Page 12

BRIDGE

E. P. C. COTTER

IN a Crockford's Cup match, two most interesting hands occurred. We look first at this:

N.
♠ K
♡ 4 3
◇ Q 10 7 3
♣ A Q 10 8 6 2

W.
♠ J 3
♡ A 5
◇ J 8 6 5 4 2
♣ J 9 7

E.
♠ A 9
♡ K Q 10 9 8 7 6
◇ K 9
♣ 5 4

S.
♠ Q 10 8 7 6 5 4 2
♡ J 2
◇ A
♣ K 3

East dealt with both sides vulnerable and had to choose between an opening bid of one heart or four hearts, and he eventually settled for the quieter one heart. South, however, had no doubt about his course of action—he bid an aggressive four spades, and this was followed by three passes.

West led the Ace of hearts, and continued with the five to East's Queen. At the third trick the heart King was returned, South ruffed with the eight of trumps, and West had to decide whether to discard or overruff and so force out dummy's King. In actual play West overruffed, which was a mistake.

He should, perhaps, have reasoned that East did not have the diamond Ace—otherwise he would have cashed it—and so he must be credited with the Ace of spades. In that case it must be right to discard the two of diamonds in order to direct his partner, when he got in with the spade Ace, to lead another heart and defeat the contract by promoting West's Knave of trumps.

West was at fault, but East was, I think, even more to blame. The declarer must surely hold the diamond Ace, and there is clearly no club trick for the defence. A trump promotion is the only hope. After making his Queen of hearts, East should have cashed the spade Ace and led another heart, defeating the contract immediately.

My second example teaches more than one lesson:

N.
♠ 9 4 3
♡ J 6 4
◇ —
♣ A K Q 9 7 6 4

W.
♠ A K 10 2
♡ 8 2
◇ J 9 5 4 3
♣ J 5

E.
♠ Q 8 7 6
♡ K 10 9 7 3
◇ A K 10
♣ 2

S.
♠ J 5
♡ A Q 5
◇ Q 8 7 6 2
♣ 10 8 3

With East-West vulnerable, North dealt and opened the bidding with a "gambling" three no trumps. East passed, and South bid four clubs—he knows which minor suit his partner must have—and his bid informs North that he is not good enough to pass three no trumps. West and North passed, but now East could not tamely pass.

In view of the bidding, his side may be able to make a vulnerable game, so he bid four hearts. South now bid five clubs, which was doubled by West, and all passed.

West led the spade King, and when East dropped the seven, cashed the Ace, and continued with the two. The declarer ruffed in hand, ruffed a diamond on the table, and returned a low heart to the nine and Queen. Another diamond was ruffed on the table, bringing down East's King, and the red suit squeeze became obvious. Dummy's trumps were run off, and East had to choose between setting up the declarer's diamond Queen, or dummy's Knave of hearts for the eleventh trick.

It is not easy for East to foresee what happened, but if he discourages his partner's spade lead and gets a heart switch, the declarer will not be able to ruff a spade in hand—this is essential—before his second heart honour is taken out, and with no heart entry left in the South hand, the squeeze becomes inoperable.

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Saturday December 16 1978

A soberish holiday

THE GOVERNMENT has not fallen, and neither has the sky; but the markets are seeing the year out in a very subdued mood compared with recent Christmasses. Since the economic situation is obviously better than in any of the past five years, this may appear ungrateful; but markets, of course, look ahead. At the end of 1976 and 1977 it was reasonable, and has proved right with hindsight, to expect that the year to come would be better than the year just past. Now we appear to have run into a sticky patch, both nationally and internationally.

Bipartisan

The most recent dramas have been at home, and their significance is pretty clear. With the defeat of the Government over pay sanctions, we now have, despite the insults traded in the House of Commons, a bipartisan policy against inflation. The Government is relying on monetary control, a stable exchange rate and cash limits in the public sector to check an acceleration in inflation. These are the main planks of Conservative policy, too. The Government has a declared pay policy in the public sector which will clearly now have to be modified. The Conservatives, were they in office, would have to translate cash limits into some kind of pay objective, even if no norm was declared to form a centre of contention.

The greatest apparent difference between the parties concerns the fiscal balance. Labour has maintained a historically high borrowing requirement despite the recovery of the private sector of the economy: this helps to explain the very high level of interest rates now ruling. The Conservatives would make cutting the public deficit a high priority. We strongly support this objective: but cutting public spending has always proved easier to preach than to practise, and the results of a change might not at first be dramatic. The Government's narrow scrape, and the rising odds on a Conservative election victory within months, have not therefore greatly excited the markets.

The fact is that although the financial balance in the economy is now better than for some years, financial rectitude will not solve all problems. Leap-frogging wage claims, militant pressure and sluggish industrial performance all help to cause inflation. Real solutions may take years.

Meanwhile, across the Channel and the Irish Sea, all our partners in the European communities have now united in an effort to check inflation and instability by means of market intervention and political will. Many of them find it hard to understand why Britain, whose own commitment to exchange rate stability has been ringingly reaffirmed by the Chancellor and the Bank of England, and rests on a recent period of solid achievement, is sitting this one out. Some of the reasons are political: it is unhappily easier to persuade British voters to accept unpleasant measures in the name of national interest (and national masochism) than in the European cause. We are also arguing with our partners over other aspects of Community policy. However, there are also strong technical doubts, shared by many central bankers in Europe. A promise to intervene is a promise to finance speculation, and may provoke it.

The possibility of a series of speculative currency crises in Europe—the traditional way of adjusting "fixed" exchange rates—is one of the many international uncertainties which is *restraining financial confidence*. Though it may generate some excitement among dealers after New Year's Day, it is probably the least pressing. The condition of the dollar, and of the Eurodollar banking system, is considerably more ominous.

It is generally agreed that the dollar recovery engineered by intervention in recent weeks can only be consolidated by further financial stringency. The sight of President Carter trying a whole set of measures discredited by British experience—pay sanctions and all—is not heartening. Technically, a floating sterling system is far better insulated from events in New York than most investors realise, but a real crisis could certainly not be isolated in the U.S.

A long way

Labour troubles, snake troubles, dollar troubles—these are familiar enough. So are oil price rises: and the Middle East crisis has been with us for so long that its resurgence is a manageable disappointment. Troubles in Iran and Africa are relatively new, and potentially more forbidding. With so much gloom in the headlines, it is hard to remember the underlying good news. We have come a long way from the appalling crises of 1975 and 1976 and we can still hope, after a period of unpleasantness, to progress further. Anyone who had forecast our present situation—exchange rate, inflation rate, level of real wellbeing—two or three years ago would have been dismissed as a mad optimist. The future may still have the power to surprise pleasantly.

POLITICS TODAY

Mr. Callaghan gains time

BY MALCOLM RUTHERFORD, Political Editor

AFTER THE Government's survival in the House of Commons this week, the next key date in British politics is likely to be March 1, 1979 or, to be more precise, March 2, for it is then that we shall know the results of the referendums on the setting up of the Scottish and Welsh Assemblies.

The Government now has a respite from Parliament of about one month. Even when the House of Commons returns in the middle of January, it seems improbable that it will again be seriously challenged before the referendums are out of the way. For what the events of the past few days have shown beyond doubt is that the Conservative Opposition cannot yet summon up enough support from the smaller parties to defeat the Government on an issue of confidence. After the referendums it might be different, but for the time being there are still too many MPs outside the main parties who have an interest in Mr. Callaghan's survival.

Waning asset

The Government itself is fully aware of the position and is playing it for all that it is worth. The support—or at least the non-opposition—of the bulk of the Ulster Unionists has been secured by the promise of legislation to increase the number of Ulster constituencies. That legislation should come shortly after Parliament returns, so to that extent the support of the Ulstermen is probably a waning asset. Yet so long as the support exists, it is almost certainly enough to keep the Government in office, regardless of what the other small parties do.

The Government also wants the referendums, and especially the Scottish referendum, to take place on time for reasons of its own. It believes that the Labour Party has regained the initiative in Scotland because, however belatedly, it embraced the principle of devolution. The evidence of all recent Scottish by-elections, as well as the opinion polls which show the decline of the Nationalists, suggest that that view is correct. The Government wants now to deliver the goods.

The consequence is that the result of the referendums will have an importance that goes far beyond Scotland and Wales. So, therefore, will the referendum campaigns. The Government and the bulk of the Labour Party want the Assemblies to be established. Yet to achieve that will require a majority not only of those voting, but a majority that is the equivalent of at least around 40 per cent of the Scottish and Welsh electorates. That could be difficult, especially if the weather is bad, for the weather could seriously affect the turn-out.

For the Government, the stakes are high in two ways. In the first place, a yes vote for the Assemblies would enable it to say that it had given the Scottish and Welsh peoples what they wanted, though here there is also a let-out. If the votes went against the establishment of the Assemblies, the Government would still be able to say that it had tested opinion and found that the demand for the Assemblies was less than overwhelming. Either way, the Government will probably continue to succeed in deflating the support for the Nationalist parties, at least in the short-term.

There could be a *problem* if the vote in favour of the Assemblies came very close to 40 per cent of the electorates, but did not quite reach it. The Government would then have to make a very awkward decision. Should it allow the Assemblies to go ahead regardless, on the grounds that the vote came very near? Or should it say "No"? Again, however, the Government could probably turn the situation to its advantage. Mr. Callaghan could weigh the decision on whether to approve the Assemblies against the possibility of receiving Nationalist support for the Government's continued existence.

Yet on the assumption that such a close result is statistically improbable, one comes to the second reason why the outcome of the referendums is so important for the Government. If the Scottish vote is "yes," the Nationalist Party will presumably demand an early date for the Assembly elections. It is in the Government's power to give it, provided that there is not a general election in the meantime. It is therefore quite possible for the Government to remain in office beyond March with the support of the Scottish Nationalists, even if by then it has lost the support of the Ulster Unionists because it will have already paid them off.

Of course, it is true that if the referendum results go against the Assemblies, the Nationalists themselves would be in a dilemma. What would be the point of supporting a Government that had nothing left to offer even in the mildest form of devolution? Yet it is that very possibility that must increase the Government's determination to a "yes" vote. Wales perhaps does not matter very much in that there are only three Welsh Nationalist MPs, but there are 11 Scot Nats—enough to keep the Government in power till October should they choose to do so, and should the Government wish to hang on that long. It is for that reason that one would expect a considerable amount of energy to go into the referendum campaigns, and not only from the Nationalist parties.

In practical terms, what all that means is that there is no need for Mr. Callaghan to think seriously about the date of the general election until after March 1. As it happens, such a time-table should suit him very well, for by then all sorts of other calculations should be clearer, and it is to those that we now turn.

The Scots Nats: Mr. Callaghan's future devolves upon them.

The events of the past week or so, and perhaps since the Government failed to reach agreement with the TUC on incomes policy last July, have left Mr. Callaghan's Government safe in Parliament for at least two or three months. They have left it much less safe in the eyes of the Labour Party and indeed of the Labour movement as a whole. But in the country at large there is still a great deal to play for.

His preferred approach

To put it simply, Mr. *Callaghan can still carry the* House of Commons on a vote of confidence. He can no longer carry the House on a vote on his preferred approach to incomes policy, even though it may still be popular in the country. He therefore has to reconcile the House, which means in large part his own party, while at the same time continuing to appear successful among the electorate. That is a formidable task.

To start with, no one should be misled by the narrowness of the Government's defeat in the second vote on the sanctions policy on Wednesday, nor by the relative ease of the Government's victory in the confidence vote on Thursday. In the second vote on Wednesday only one Labour MP among those present, Mr. Arthur Latham, declined to give the Government his support, and the Government lost by two. In the confidence vote on Thursday, even Mr. Latham came round and the Government won by 10. None of that, however, should disguise the extent of the unhappiness within the Labour Party about Mr. Callaghan's policies.

So much was clear from the speeches in the confidence debate. Nor is the opposition confined to the Left of the party. It was Mr. Robert Cant, for example, the Member for Stoke-on-Trent Central, who described himself as right of centre and has never voted against a Labour Government in his life, who protested that the Party's loyalties were being strained too much. The incomes policy, he said, was not only socially divisive, but it would probably only achieve the same results in terms of increases of earnings as if there were no incomes policy at all. Was it, he wondered, really worth the effort?

Mr. Cant was applauded, not surprisingly, by Mr. Ian Mikardo, whom many regard as belonging to the extreme Left. Perhaps he does, though it is an inescapable fact that the Left is also part of the Party and cannot be continually ignored by the leadership. At any rate, this time at least Mr. Mikardo spoke for more than a small faction. He spoke for all those who wanted to vote against the incomes policy, but not yet at the price of bringing down the Government. Mr. Mikardo warned—and others nodded in agreement—that he himself would never give that support again. The only reason he gave it this week, he said, was on the assumption that the incomes policy would now be changed.

That is Mr. Callaghan's dilemma. It is not only a few Left-wing MPs kicking up a fuss as they do from time to time about, say, defence. This time it is the Left with a large part of the Labour Movement behind it, not to speak of the other opposition within the House of Commons. The incomes policy has been twice rejected by the TUC—once in the summer and once last month—and overwhelmingly rejected by the Party conference. The sanctions part of it has now been rejected by the House of Commons and formally abandoned by the Government.

Popular support

Yet at the same time Mr. Callaghan remains convinced that the policy is necessary and has popular support. His problem is twofold: how to adapt it in such a way as to ensure wider support from within the Labour Movement and how, having done that, to convince the public it is still working.

There will now be a short period of grace in which to attempt to work out solutions. Mr. Denis Healey, the Chancellor of the Exchequer, will meet the TUC Economic Committee on Tuesday in an effort to pick up the pieces of the unratified TUC-Government agreement of last month. There will also be new talks with the CBI. But behind it all the Government will be desperately trying to head off trouble in the public sector, for it is the threat of direct action by the local authority manual workers that worries it most.

Low-paid workers

So long as sanctions against those who broke the 5 per cent policy in the private sector were maintained, the Government at least had an alibi. It could claim that it was fighting the battle against inflation on both the public and the private fronts. Now it is condemned to fight in the public sector alone. Yet it is the public sector which contains those low-paid workers who most concern the Labour Movement, and it is the public sector which can cause most disruption to life in general. Few people, after all, were much affected by the strike at Ford. A strike of the country's dustmen would be a quite different matter.

There is, course, some room for compromise. As Mr. Callaghan said at Question Time on Thursday, the 5 per cent rule was never intended to be an end in itself. Even last July's White Paper allows for some exceptions, and the Government will now try very hard to make concessions to the lowest paid. It remains to be seen, however, whether those concessions will be large enough to placate the Labour Movement and to prevent too much disruption, yet small enough to preserve the credibility of the incomes policy.

That is the battle which will be played out in the next few weeks. For a time it may be very difficult to tell whether the Government is winning or losing, or even to define what winning means. Yet in political terms there is still a certain respite. The Government is unlikely to be challenged in the House of Commons, which is the only place where it can be effectively challenged, until March at the earliest. Even then, if the referendum results go the right way, it might still have the opportunity of going on.

It would be rash to assume that if the outlook is bad, the Government will go to the country. Indeed Mr. Callaghan's decision not to hold a general election this autumn suggests the opposite. The Government will only go to the country either when it feels it can be sure of winning or when its term of office has expired. That is why, despite this week's excitements, the odds must still—very slightly—favour October, 1979.

Letters to the Editor

Microelectronics

From Dr. S. Castell

Sir,—It must, by conservative estimates, be at least a year and a-half ago that the Government first began to be urged by concerned professionals to take action to achieve a policy on information technology, one powerful component of which is the harnessing of microelectronics.

I suppose it is about par for the UK course that it has taken this long for the Prime Minister to announce a three-year programme of public awareness, re-education, re-training and promotion of industrial applications (and that, probably only because of a sudden appreciation of and debate on the "chips, not chaps" issue). Some might, just, hope and believe that this typical lack of British pace is matched by, again typical, British thoroughness, assume all is now rosy in the microelectronics bed and sit back and enjoy the Christmas turkey, looking forward to a quiet game of post-Queen's-speech microprocessed electronic battleships. (Some others might even be hoping that, if 1978 was The Year of the Chip, 1979 will turn out to be The Year the Chip Went Away.)

Unfortunately, not many concerned professionals would take this view. Most, I think, are still horrified that we are not already halfway through that three-year programme. Many believe that occasional gestures like £15m for Inmos and £100m for—well, what actually is it for?—might be just the nervous twitches of perplexed politicians and administrators, largely incapable by background, training and inclination, of facing up to an informatic future.

It must be clearly said once again that microelectronics is only one small, albeit critical, component of the information revolution, and we cannot afford for it to take another one and a-half years for the perception of the concept that it is information which is the essential future resource, to result in a few information technology nervous political twitches.

Paradoxically, we have right now a number of individual British informatic developments with a major technical lead over other countries (Viewdata and Teletext, international teleconferencing, microcomputer languages and operating/application software, evolution of formal mangement techniques for appraisal of the computer/communications/office automation synergism, telesoftware, private attempts at novel financing of young, growth, information technology-based businesses), but no coherent policy welding these and other myriad related developments, and problems (working for leisure, wealth-creation, privacy, ownership of information, reward for innovation), into an objective with vision, on a path towards an acceptable state of present shock.

Hence the continuing acute *need for AGIT, Action Group* on/for Information Technology.

(Dr.) Stephen Castell.
Furlongs, Grange Road,
Wickham Bishops, Witham,
Essex.

Generosity

From Mr. E. Adler

Sir,—Mr. Slack's lady friend (December 13), who in November received three £50 warrants from Ernie's generous computations is unlikely to gain an entry into the Guinness Book of Records, handsome though her winnings clearly are. This possibility must remain mine. I have a classic 100 per cent track record with Ernie which dates from his birth.

I purchased my block of Premium Bonds in November, 1956. Since then, 265 months have gone by and Ernie—generous to a fault—has sent me warrants on no occasion whatever. This open-handed magnanimity deserves gratitude of such proportions that no fulsome expressions of indebtedness from me seem, under the circumstances, sufficient.

Eric Adler.
5, Teynham Court,
Woodside Avenue,
London, N12.

Independent

From the Director-General
South Africa Foundation

Sir,—While I concede that, as you pointed out in Men and Matters on November 30, a misprint appears to have crept into your article of November 23, nevertheless you must have left your readers with an impression of doubt concerning the integrity of the South Africa Foundation. At the same time, through an unhappy error, you inadvertently associated me personally with an organisation with which I have no connection whatever and in so doing presented me as having made an untruthful public statement.

While I am grateful for the correction of November 30, I do not feel it clarifies for your readers the fact that the South Africa Foundation, founded some 20 years ago, is something quite different from the organisations which are currently being investigated for having acted as fronts for the Government and this fact has been underlined in several recent editorials in the South African English and Afrikaans Press.

The total independence from Government of the South Africa Foundation which represents the country's top private sector leaders, is vital to its credibility worldwide and in view of the possible damage that your article of November 23 might have done to its reputation, I should be glad if you would allow me to put the record straight.

Peter Sorour.
P.O. Box 7006,
Johannesburg, 2000.

Training

From the Managing Director,
Guardian Business Services

Sir,—The problems of "technology transfer" projects in the Third World (December 12) are not merely rooted in an insufficient appreciation of cultural differences. The role of trainer to be played by expatriate technicians is no better understood by the suppliers of plant or processes in their British domestic markets.

Whether the technician is working in Liverpool or Lagos, he needs not only to know his equipment, but also must be able to explain, to demonstrate or to instruct others in its construction *and use. Far too many managers* equate the possession of the technical knowledge with the skill or ability to impart that knowledge to others.

It is sad to relate that British suppliers to Third World countries tend to use professional services in the proper instructor training of such engineers and technicians only when their European or American main contractors specifically demand this fundamental service.

M. F. Milton.
21 John Street, WC1

Consumers

From the Industrial Liaison Officer, Commission of the European Communities

Sir,—In his letter of December 12, Mr. Beson, National Officer, Association of Scientific, Technical and Managerial Staff, suggests that in the field of textile policy the EEC Commission is content to leave the representation of consumer views to large retailing organisations which do not necessarily have the consumers' true interests at heart.

In fact, consumer groups are strongly and directly represented on the level of the European Community through the Consumers Consultative Committee which is currently discussing textile policy and will certainly be communicating its views to the Commission.

Mr. Beson seems to imply that an authentic consumer voice might not share the retailers' enthusiasm for free trade. One of the largest (and genuine) European-level associations of consumer groups, the Bureau Europeen des Unions de Consommateurs, is on record as calling for the admission of cheaper textile imports for the benefit of the consumer as well as of the developing countries. The proper response of European textile manufacturers, it believes, is to diversify and to modernise. Of course we are well aware that trade unions do not altogether share this view, the point being that the views of consumer groups may not coincide with trade union or producer views any more than they necessarily do with the views of large retailing organisations.

The Commission does its best to reconcile the many different interests involved with textile policy, including trade unions and consumer groups and to arrive at a concensus beneficial to European producers and consumers as a whole. We also have to pay due regard to our responsibilities towards poorer countries which produce textiles.

Robert Sheaf.
20, Kensington Palace Gardens,
W8.

Textiles

From the Director,
World Development Movement

Sir,—Your article on the textile industry's demand to freeze imports (December 13) leaves the impression that developing countries are to blame for the 4,000 jobs lost this year. This is not so. According to a recent study by the Overseas Development Institute, imports from developing countries between 1970 and 1975 accounted for only 0.05 per cent of the yearly job loss in textile yarns, 0.8 per cent in cotton textiles and 1.7 per cent in clothing. Trade between developed countries, technological change and changes in consumer tastes are the real causes of job losses, and it is time to stop using developing countries as scapegoats.

In any event, studies in France and Germany have shown that jobs lost in one industrial sector due to Third World competition are offset by jobs created in other areas. In 1977 Western Europe's exports of manufactures to developing countries were five times the amount of manufactured goods imported from them. It is therefore misleading to look at textiles, or shoes, or shipping in isolation. One can understand the concern of the textile industry to survive, but if they wish to succeed we suggest they should start looking to the Third World as potential buyers of products in areas where we have a comparative advantage.

Vic Sutton.
Bedford Chambers,
Covent Garden, WC2.

Misjudgments

From Mr. A. Ashfield

Sir,—Reading through Mr. Samuel Brittan's article on a "Two tier Europe," (Dec. 7) stirred old memories of 1931, ante and post war financial crises, Breton Woods and the succession of political misjudgments which have so largely contributed towards world instability.

Would that some of his sound precepts were enshrined in the Chancelleries of Europe and translated into action. It cannot be emphasised enough that currency values are determined by the simple law of supply and demand and in the long run no amount of political juggling can alter this fact.

Time was, when there was such a thing as a Gold Standard and—almost as important, a Fiduciary Issue. The inherent stability of such an arrangement ill suited the politicians who sought ever more cash to bribe the electorate, be it at the risk of national bankruptcy. Attlee's post war Government was a classic example of this irresponsible profligacy when it authorised a Budget increase exceeding that of any of the previous war years.

Six grim years of spending would indicate to any sensible person a period of retrenchment. Alas, our financial masters thought otherwise and in recent years, nourished on a diet of Treasury minutes and modish University projections, they have vied with one another in dispensing public funds. Thus have been sown the seeds of inflation.

With the National Debt inexorably moving towards the £100bn mark, the future looks bleak indeed save for dramatic cuts in public expenditure—or a moratorium. As for sizeable reductions in taxation—so sorely needed—servicing the National Debt will take care of that for years to come.

From the foregoing, it could be deduced that the European monetary system is largely irrelevant and can only feature as a bureaucratic exercise in relativity, over which the countries have no control. Will it never be learned that living on borrowed money can be an essay in illusion as both Peter and Paul have to be repaid at some time, provided the borrower has not already mortgaged his integrity.

A. R. W. Ashfield,
Petersham House,
143, Petersham Road,
Richmond-upon-Thames, Surrey

Europe dreaming of a white Christmas

By ARTHUR SANDLES

THIS WEEKEND many a European eye will be turned skywards. For the 20m skiers who each year head for resorts from Aviemore in Scotland to Slovakia's High Tatra, from Norway's Voss to Spain's Sierra Nevada the prospect of a white Christmas means more than just a pretty greetings card scene. It also means a roaring start to a business which in Europe alone is worth well over £1bn a year.

So far this winter has proved *disturbingly mild. This may be* good news for the cows still grazing the alpine meadows of the Tirol, but it is providing a worrying December for those who depend on skiers for their business. Many a mountain *hotelier will be praying for* a heavy fall of snow over the next few days.

Ski fever has infected Europe on a substantial scale over recent years. Even in lowland Britain more than 1.5m people *have been on skis at some time* in their lives. This year the number of adults having a winter sports holiday abroad is expected to top 250,000. Add to *that* the growing number of school parties, and the ever increasing crowds heading for the Scottish resorts, and the figure easily tops 500,000. Nearly 3m French will head for the slopes this winter and an estimated 8m Italians ski, quite apart from the thousands of Milanese and Romans who simply put ski racks on their cars to indicate that they too are part *of the snow set.* Tiny Switzerland boasts 1.2m adult skiers.

In France top fashion houses like Courrèges and Daniel Hechter have plunged into the skiwear business. In Austria when *the World Cup ski series* is on television you will be lucky to find a ski instructor willing to give lessons, and *almost every*where there are ski manufacturers eager to make rich men and women of alpine farm children who happen to be good *skiers and are* willing to use the right equipment.

Austria alone supplies only a little short of a third of the 8m pairs of downhill skis which are sold each year around the world. Some 250 companies from giants like Kastle and Fischer down to tiny back-room operations, struggle against France's Rossignol and America's K2 for *pride of place on* the skiers' shopping list.

Rossignol has been one of the *marketing phenomena* of the ski world in recent years, claiming 21 per cent of the ski market for itself alone. In the first half of this year its consolidated sales rose by 16 per cent to £42m.

By the time he has bought *skis, bindings, boots,* poles and clothing a cautious shopper can have spent £300, and a less conservative one could easily part with twice that amount. Ski suits made by the American-owned Head company are selling like hot cakes in British ski shops at more than £150 a time.

Every winter millions of Ger*mans pour down the autobahns* and race past the ancient Austrian cities of Innsbruck and Salzburg to the tempting slopes of Kitzbuhel and St. Anton. Some 75 per cent of Austria's 25.9m winter season overnight stays were accounted for by Germans last year. Austrians looking for Government en*couragement for an industry* that is hit *by high* VAT rates and a strong currency, claim that one in ten Austrians works for or depends on a tourist business that is heavily mountain oriented. The British audience has been somewhat diminished by financial pressures, it has turned instead to *Italy and Spain as well as the* tempting new French resorts, but still favourite UK destinations like Mayrhofen and Westendorf will be packed with *English accents next weekend.*

But what sort of weather are these visitors going to find? In Austria the thermometer has been behaving just as erratically as it has been in London and Liverpool. Two weekends ago *winds as sharp as blasts* from the deep freeze swept through mountain passes which until then had been bathing in an Indian summer. A couple of days of ice-bound chaos blocked roads and public transportation. Then, as suddenly as it had come, the chill departed, and the temperature rose by a full 20 degs. C rapidly removing snow from all but the most lofty places. Since then things have been variable to say the least. Ask a Tirolean whether there will be snow in the lower resorts like Seefeld and Biberwier and he will tend to shrug his shoulders and turn his mind to more serious matters—like the fact that the first major world series ski races of the season, and thus the first test for Austria's ski team, were cancelled last weekend because there was no snow on the Val d'Isere in France.

This particular blow comes at *a time when France is just* beginning to enjoy the fruits of more than a decade of investment in a series of incredible new resorts in the mountains around Mont Blanc. As it emerged the races were scheduled just a few days too early. Once the weekend was over the snow began to fall. By the middle of the week there was cover in most areas above 2,000 metres—high enough to give some skiers altitude sickness—and there was confidence that much more was to come before the festive season really *started.*

Happier times last year when the snow lay, deep, crisp and even. So far this winter has proved *disturbingly mild, with most mountain hoteliers praying for a heavy fall of snow over the next few days.*

Throughout the early part of December. Switzerland too enjoyed, or suffered, unseasonable mild conditions. This week like France, the Swiss have seen little snow below 2,000 metres.

In the lower altitudes the *temperature has been often up* to 10 deg. and even soared to 18 deg. in some places. This week only 15 of Switzerland's numerous resorts were even bothering to put out snow reports. Only two, Saas Fee and Zermatt, were confident enough to report "powder snow, good." Most of the others were *falling back on such useful* phrases as "skiable" or even "partially skiable."

So important is the climate to the mountain resorts of Italy that local weather enthusiasts are producing theories that the whole seasonal pattern has moved back a few weeks. February is going to be the best *time for snow, they say, par*ticularly *since the satellite*-aided weather forecasters see no early end to a steady stream of Atlantic depressions bringing round after round of warm air.

For the hoteliers this is not immediately bad news. Skiers *have long since known that if* they want a hotel room at Christmas they have to book *early. Italian ski resorts are* running up the house full signs already, it is virtually impossible to find accommodation in the more popular resorts. "Some slopes at the week-end look like Ostia beach in mid-*August,"* said one tourist official. Along with the Italians the foreigners pour in. The French to Courmayeur and Cervinia, the Germans to Cortina, and the British to Sauze d'Oulx and Livigno. In Italy as well as throughout Europe the Americans are increasingly seen, although *usually heading for the better known and often heavily* crowded ski centres.

Winter sports are of great im*portance* to the alpine economies of all the countries concerned, as they are to the mountain villages of both the French and Spanish sides of the Pyrenees and to Norway, where there does seem to be snow. Village *communities look to farming in* the summer and skiers in the winter to maintain their family income. Most herdsmen become ski instructors or waiters in the winter. Without skiing, vast areas of mountain territory *would probably have* been stripped of inhabitants. In Italy the Government is so impressed by what the French have done to encourage the growth of resorts, and thus provide employment, that there are signs of possible State intervention to encourage more ski investment.

Perhaps in Italy such plans *will not fall foul of environ*mental protests as they have done in other countries—notably the U.S. The preparation of a mountainside for skiing can leave nasty summer scars. The problem in Austria and Switzerland, however, is not always the environment. There the expansion of resorts is often hampered by constant wrangling over land ownership *and rights. The French resorts* tend to have been built in areas which were deserted. Often in summer they are revealed as rocky grey valleys with little of the charm of the Swiss pastures.

French enthusiasm for skiing has come late. A decade ago France was probably not much more interested in skiing than Britain. The new resorts, and champions like Jean Claude Killy changed all that. Today President Giscard d'Estaing goes skiing at Courchevel (as ex-U.S. President Ford does at Vail), part of the Trois Vallee ski circus, which some would say boasts the best skiing in the world.

Courchevel's hoteliers started *to smile a little on Wednesday* when some 15 cms of snow fell and the forecasters talked of more to come. *Not far away in* Megeve, the favourite of the young Paris smart set who slap chains on their sports coupes for the last few miles drive, or fly on Air Alpes services deep into the mountains themselves, they were actually reporting 30cms of snow on the ski runs. Even so there were still some rooms available for late Christmas bookers. In Meribel there is about 20cms of snow in the village itself and just over twice that on the runs. Chamrousse, however, a resort not heavily patronised by foreign visitors, has had scarcely any snow at all up to this week end.

The average winter sport bud*get for a typical French family* of four for one week can be as much as £580, and prices have risen by about 10 per cent compared with last year. The average Briton, who usually *flies to* his resort and who more often than not buys a fully inclusive tour from one of the increasing number of agencies in the business, will expect to pay about £200 for his trip—plus equip*ment rental and spending* money.

Four years ago 15 leading French ski resorts grouped themselves together to form a sales organisation. Last season these resorts earned around £140m *from foreign tourists alone, with* Chamonix being the most popular with the non-French.

In Switzerland one of the main problems in competing with this French effort has been the strength of the Swiss franc. In spite of the fact that the franc is noticeably below its September peak many hoteliers have still felt themselves unable to raise rates above 1974 levels without deterring custom.

Many ski resorts today have snow-making equipment, which can fill in some of the gaps left by nature. However, even snowmakers, which operate by forcing a fine spray of water into the mountain air, can only function when the temperature is below freezing for long periods.

Meanwhile, of course, all skiers know that every year there is some problem with the weather. There is always too *much or too little snow. Today,* none the less, the economics of most hotels and resorts are such that the shortening of the season for any reason is a serious matter. That is why this weekend the hoteliers of mountain top resorts throughout Europe will be singing "I'm dreaming of a white Christmas."

Weekend Brief

Star gazing

The circulation of the Daily Star, the nippled tabloid offshoot of the Express group launched in Manchester at the beginning of last month, has settled at just under *600,000.* This is quite a drop on the near 1.4m copies printed on the launch night. But the group is going ahead with plans to extend the circulation area to Scotland and the South of England, and to build sales up to well over the 1m mark. And this week, shareholders in Trafalgar House, the shipping to *housebuilding conglomerate run* by Nigel Broackes and Victor Matthews, received the first tangible evidence that their company's venture into the troubled world of Fleet Street publishing could prove profitable.

Trafalgar's 1977-78 results announced on Tuesday included a *£3.2m* profit from newspapers *and magazines, against* a *loss of* £589,000 last year. Much of the profit now declared reflects the acquisition in January of Morgan-Grampian, a successful publisher of trade periodicals. Nevertheless Trafalgar claims to have turned round Beaverbrook, now renamed Express Newspapers, from losses to *profits.*

Trafalgar's treatment of the profits of its subsidiaries is a little complicated: a heavy notional interest charge is deducted to allow for the capital invested in the operations *(about £35m in the case of pub*lishing). If Express and Morgan-Grampian had still been independent companies they would have reported combined pre-tax profits of more like £6.6m. Of this, Morgan-Grampian earned *something like £3½m* in the nine months during which it was part of the group, leaving around £3m for Express Newspapers.

Matthews: evident results

Within the Express group the Sunday Express has long been the goldmine. Like a goldmine, its lode is gradually *running* out—it appeals heavily to older readers. But it is reckoned to *have been earning profits* at around £6m a year—recently perhaps even a little more. The Evening Standard has turned round from a modest loss last year to profits of £0.5m or so.

That leaves the group's big problem the Daily Express running a deficit at the rate of something like £2.5m a year. It is this problem that the launch of the Daily Star is desigend to solve.

As Victor Matthews has put it: "The newspaper industry is not overmanned but under*employed." The concept is that* the Star will employ surplus Express journalists and printing capacity, and will therefore pay for overheads which the Daily Express can no longer cover on a circulation which was once over 4m but is now only about 2.5m. But the Star needs to achieve a circulation of probably something like 1.4m before the objectives are achieved.

The next few months will mark crucial stages in its development. Currently its circulation, from its Manchester printing base, is largely confined to the North and Midlands. Early in the New Year it is to be launched in Scotland. In February or March London printing will be started up, to *serve the South of the country.* But it will be a stiff task for the Star to raise its circulation more than two fold from its present base even at a modest 6p ("Britain's Best Buy").

In the South the Star will not enjoy any advantage from later deadlines and better sports coverage. It will have *to rely on its basic blend of* sex and sensation. This week's contest: a film contract worth at least £1,000 a week for Miss X who has "glamour, sensuality and a striking sexy figure she is not afraid to show."

Rabbit runs

The myths of showbusiness are engraved deep on the consciousness of investors. It is hardly surprising, therefore, that the queues which are forming around the world to watch *Watership Down* come as something of a shock to the film-making establishment. Until now only the Disney movies and the slightly erotic adventures of *Fritz the Cat* were the only animated films which had achieved anything like success at the international box office. This weekend the man who made Watership into a saleable film *product, Martin Rosen, is pack*ing his bags ready for his next project, the making of a film of another Richard Adams book, *Plague Dogs.*

Like all the best animated stories, *Watership Down's* trans*lation into film fact is something* of a magic tale. Rosen mentioned his dream of making the picture over drinks with some friends and, gradually, such cautious investors as Lazards and Schroeders were wooed into the *idea of making a best-selling* book into a best-sellling movie.

Rosen's workshop could not look less like *Watership Down* at the moment. The area which was once the production area for artists slaving over the details of Hazel and Fiver has now reverted to being just the attic area of a little used ware*house near London's* used car centre of aptly named Warren Street. The Post Office Tower looms large above it and the building site which occupies much of the surrounding ground floor area shows little sign of either carrots or burrows.

And yet Rosen has shown that the £2m project which emerged from these doubtful surroundings to have been worth the trouble. Now he has offered a slice of the £4m successor to the same investment team and seemingly has high hopes. "People were conditioned to the Disney style," says Rosen, who *makes no bones about the fact* that his new Adams story is on paper an even more difficult sales venture—two dogs who have escaped from an experimental centre.

The major advantage of animated films over their conventional rivals is that cartoons have a much longer potential *shelf life. Watership, already* sold to CBS pay-tv in the U.S., for limited showing, could go on for ever.

This misfortune for the UK is that while Watership Down was an entirely British picture, the new *film will* be made in America. The one consolation is that Rosen's team has been worth eagerly *taking the photo*graphs that will form the basis of the new film.

Watership Down: up and on.

Dancing away

Disco fever has boogied its way to the top of the charts, to box office film hits and on into fashion. Disco dancing fans *have their own magazines, their* own lingo and radio programmes and now, they have their own world disco dancing champion. For an industry that has transcended race, class and even age, a disco dancing champ as a means of promotion has been a long time in coming.

It took the most unlikely-looking man to come up with what must be the sponsor, EMI's best money-spinner to date. Mr. Peter Smith, managing director of EMI's dancing division, doesn't have long, ropey legs, he doesn't have a taut, well-exercised body: nor does he wear zippy, studded satin clothes.

But he succeeded — magnificently—in getting 15,000 competitors from 40 countries to enter a competition that culmi*nated in a final heat in London* this week when a 23-year-old Japanese disc jockey, Tadaaki Dan, gyrated off EMI's Empire Ballroom stage with £25,000 of prizes and cash and the title of World Disco Dancing Champion. A title that is certain to become an annual affair and as likely to de-throne the international cattle-market, Miss World contest.

Disco dancing is sensational to watch. It is sexy. It has glamour, youthful exuberance—and it has money. An annual disco dancing competition allows men and women competitors from all over the world to put together an act as individual as the countries they *come from: classical Japanese,* martial arts, Indian, Latin American, Scandinavian. There are gymnastic acts, comedy acts.

There are styles reminiscent of John Travolta's £100m drawcard, "Saturday Night Fever," and of the Charleston (as recognised by a man who should know—Lord Delfont, chief executive of EMI's Leisure and Entertainments division).

For £300,000, investors such as EMI, the Daily Mirror, Coca Cola, Thames Television and *others have certainly pulled out* an ace card and one with plenty of spin-offs.

Within the next four weeks 200m people in 17 countries will see the pulsating, glittering finalists on their screens. There are promotional films to come, EMI's 9 regional discos seem likely to become more popular than ever. Even if it is a "fad"—which Peter Smith fervently denies—it will take a *long while to peter out.*

The disco business is big business. More than £20m was *spent on equipment last year*—EMI spent £2½m alone and according to Peter Smith, disco equipment constitutes only about 5 per cent of annual sales.

EMI has not been slow on its feet. Its dancing division was formed 18 months ago with the £2m purchase of Europe's biggest ballroom—the Empire—in Leicester Square. It has since bought 13 other premises and converted nine into night spots-cum-discos. EMI calls them Romeo and Juliets.

Apple corr

Within the next few years a number of new types of apples with attractive names such as Kent, Suntan and Greensleeves should be appearing in the shops to supplement old favourites like Cox's Orange Pippin, Wor*cester Pearmain and Laxton's* Superb. Trials with the new varieties have been going on for more than a decade and they have reached the point where the fruit is being extensively evaluated by growers.

The new apples are being introduced in order to counteract the big inroads being made in Britain by the Golden Delicious. Although this is commonly thought to be a French apple—and large quantities do come from there—its origins are actually American.

Golden Delicious has been able to win a big share of the British market because it keeps well. *Greengrocers know that* if they have any left on their hands at the end of the week the quality will be much the same by the time they open their shops on a Monday morning.

They complain that Cox's and other British apples not only do not keep as freshly but that British growers take less effort in marketing their varieties, mixing large and small apples in a way that is less acceptable to the housewife.

What the Agricultural Research Council's scientists have been looking for at their East Malling research centre is a British apple that will have many of the qualities of the Golden Delicious. Both the Kent and the *Suntan* are more Cox's types, with the sharp, distinctive flavour. Greensleeves probably comes nearer to the Golden Delicious and as an early to mid-season variety will have a longer life than the other two, which will come on to the market rather later in the year.

Tests so far have shown that both the Suntan and the Kent have cropped better than the Cox's because they flower later and so escape the spring frost. Greensleeves has been bred to *produce fruit early in life and is* considered a reliable fruit for the back garden.

*Cox's is thought to be a diffi*cult apple for the amateur because it needs just the right soil and conditions for pollination. Despite these drawbacks it is one of the great British apples. It originated in Berkshire, probably by chance, in about 1825 and is thought to have taken its name from its originator. Apples are commonly named after people: there actually was a Grandma Smith, an Australian who gave her name to the Granny Smith.

All the testing, however, will do little for the apple growers unless we can be induced to eat more of the fruit. We buy about 24 lbs of apples a year each, worth a paltry £3. This is peanuts or perhaps the phrase should be pips—compared with the French and Germans, for instance, who manage to chew their way through three or four times as many.

Contributors:
Barry Riley,
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Economic Diary

TODAY—OPEC Ministers review oil pricing policy.

SUNDAY — Department for National Savings monthly progress report (November).

MONDAY—EEC Finance Council meets in Brussels. Norway's *Storting (Parliament) debates* European Monetary System. Mr. Howard Jarvis, Californian tax cuts campaigner, addresses meet*ing at Institute of Directors* (6 pm). National Food Survey report on consumption (third quarter). Confederation of British Industries monthly trends inquiry (December).

TUESDAY—U.S. Treasury gold sale in Washington—1.5m ozs on offer. EEC Foreign Affairs Council meets in Brussels, discusses General Agreement on Tariffs and Trade (GATT). Unemployment figures (December, provisional). Unfilled vacancies (December, provisional). Gross domestic product (third quarter, provisional).

WEDNESDAY — Final talks in Brussels on Greek entry into EEC. Basic rates of wages and normal weekly hours (November). Monthly index of average earnings (October). Construction—new orders (October).

THURSDAY—National Union of *Agricultural and Allied Workers* resume talks on 100 per cent pay claim. SALT talks resume for two days in Geneva. Car and com*mercial vehicle production* (November, final). Capital expenditure by the manufacturing, distributive and service industries *(third quarter, revised).* Manufacturers' and distributors' stocks (third quarter, revised). Bricks and cement production (November).

FRIDAY—Rhodesia's new constitution should be published. Sales and orders in the engineering industries (September). Quarterly analysis of bank advances (mid-November). New vehicle registrations (November).

£5.4m rise by Guinness after buoyant second half

AS FORECAST, pre-tax profits of Arthur Guinness Son and Co. showed a substantial improvement in the second half, and reversing the downward trend of the first six months finished the 53 weeks to September 30, 1978, ahead from £39.5m to £44.9m.

At the interim stage, when reporting a fall from £17.1m to £14.3m, the directors said the second half improvement would be widely based with increases in trading profit of brewing, general trading and plastic and material handling divisions, as well as in the company's share of associate profits.

They now report that there has been a substantial increase in non-brewing activities which account for 32 per cent of trading profit.

In Ireland sales of Guinness showed little growth but there was a satisfactory volume growth in ales and lagers, all bottled beer sales showed a welcome recovery.

In Great Britain overall sales of Guinness were down slightly but there was an increase in the take home sector.

Total sales of Guinness stout in overseas markets exceeded 2m hectolitres for the first time.

Morison Son and Jones has been divided into three companies which continued to trade successfully both at home and overseas.

GPG and White Child and Beney had a record year with profits well up.

Both cruising and holiday centres continued to develop rewardingly, while confectionery profits have improved and further growth is anticipated.

The net final dividend is 5.2195p, raising the total payment from 7.0191p to 7.8379p on stated earnings ahead from 28.6p to 29.6p per 25p share.

The profit of the general trading division was increased by about £1.2m by changes in year end of some companies.

Plastics and material handling comparative profit would have been increased by £0.8m if full year's results of White Child and Beney had been included and overseas profit would have been £0.5m higher had exchange rates not moved unfavourably, the directors state.

	1978 £m	1977 £m
Turnover	642.7	498.8
United Kingdom	321.3	227.9
Republic of Ireland	171.4	147.7
Overseas	150.0	123.2
Depreciation	13.5	10.6
Trading profit	45.1	40.1
Brewing	31.0	30.5
General trading	8.4	6.3
Plastics, materials handling	4.6	2.5
Leisure	0.7	0.5
Confectionery	0.4	0.3
Central management costs	1.4	1.1
Interest charges	7.3	6.3
Investment income	0.9	1.0
Share of assoc.	7.6	5.8
Profit before tax	44.9	39.5
Tax	15.4	11.9
Profit after tax	29.5	27.6
Minority profits	4.0	3.1
Extraordinary debits	2.3	2.2
Attributable	23.2	22.3
Dividends	6.7	6.0
Retained	16.5	16.3

On a current cost basis, pre-tax profit is reduced by £15.5m—this reduction arises from the deduction of £21.9m, representing additional depreciation of £13.4m and cost of sales adjustment of £8.5m and the addition of a gearing adjustment of £6.4m.

As a result of the adoption of SSAP15, tax was reduced by £8.9m (£7.6m). However, ACT not immediately recoverable has been written off. Comparisons have been restated.

Extraordinary charges during the year were £1m in terminal costs, mainly relating to non-brewing activities, and £1.7m reserve adjustments less proceeds of sale from the shareholding reduction in an associated company. Disposal of properties and investments produced an extraordinary credit of £400,000.

The 1977 extraordinary charges included revenue expenditure of £2.3 for modernising the Dublin brewery.

Medium term facilities of £27.5m were available but not utilised at the balance sheet date.

These, the directors state, will be used in the current year to finance expansion and to reduce the proportion of short-term indebtedness.

After announcing the results the company said it expected the sort of growth seen during the year would continue.

Although it was too early to make a forecast for the current year, Mr. Tony Purssell, managing director, said "we do see a reasonable improvement in our results in the coming year. We are quietly confident."

In the longer term, Mr. Purssell said that while brewing profits would be going up "non brewing profits will be going up faster" reaching a point where they accounted for around 40 per cent of the group total.

The group is planning significant investment in both its brewing and non brewing sectors in the years ahead.

Mr. Purssell commented that "any opportunities for expansion in brewing we shall follow and we believe that we shall expand significantly in brewing in the next few years."

He said he was not talking about acquisitions, but about organic growth. This was more likely to come overseas where the group plans to spend of the order of £25m a year.

Capital expenditure last year totalled £46m, compared with around £35m in the previous year. Spending in the current year is likely to be around the £46m mark again.

Commenting on the year under review the directors said the figures were better than expected. The improvement was due to a number of factors in the second half including price rises in Ireland and Nigeria. The last price index in the UK was in March, 1978, and the company would not expect to put in for the next one before March next year.

See Lex

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Ayrton Saunders ......int.	4	Dec. 28	nil	—	9.98
Caffyns ......int.	2.2	—	2	—	6.4
Carr's Milling	1.96	Jan. 17	1.75	2.92	2.63
Electronic Rentals ...int.§	2.28	—	2	—‖	5
Eldridge, Pope	4.05	—	3.35	6.88	6.1
Enalon	3	—	2.94	4.5	4.44
Greene, King ......int.	3.45	—	2.68	—	7.26
Gresham Trust ......int.	0.79	—	0.71	—	2.02
Arthur Guinness	5.22	Feb. 9	4.64	7.84	7.02
Hardys and Hansons	5.5	Mar. 5	4.9	7.8	7
Hunslett	2.57	—	2.31	2.57	2.31
Initial Services ......int.	1.5†	Jan. 22	1.25	—	4.57
Kennedy Smale ......int.	0.88	Apr. 3	0.79	—	1.6
Lloyds & Scottish	2.71	Feb. 16	2.41	4.41	3.95
Normand Electrical ...int.	1.19	Jan. 31	1.06	—	2.83‡
Rand London	3¶	Mar. 30	—	—	10
Sutcliffe, Speakman ...int.	1.32	Feb. 16	1.32	—	2.38
Utd. Scientific	3.09†	Apr. 6	1.31	6.09†	2.14*

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Plus additional 0.0267p now declared. § Including supplementary 0.0454 in respect of 1977-78. ¶ Special dividend to obviate payment of undistributed profits tax. Payment in South African cents. ‖ For forecast total see story.

United Scientific boosted by OEC

BOOSTED BY a contribution for the first time from Optic Electronic Corpn. of the U.S., of £502,000, taxable profits of United Scientific Holdings rose from £2.73m to a record £3.86m for the year ended September 30, 1978. Turnover, which included £7.1m from Optic, was well ahead from £13.54m to £25.16m.

Exports from the UK increased by 67 per cent to £11.4m and accounted for the whole of the turnover rise by the UK group. Exports continue to be a significant part of current trading, and the directors look forward to another successful year.

At halfway profits went ahead from £1.16m to £1.81m.

After a much higher tax charge of £1.49m (£722,109) and on increased capital from last year's rights issue, earnings are shown as 24.75p (23.07p) per 25p share. In context of the rights issue the dividend is stepped up to 6.09p net (2.1385p) with a final of 3.09p.

The tax charge increased to 38 per cent from the 1977 level of 26 per cent after the change over to ED 19 in that year. This is principally due to the fact that the UK factories are operating more efficiently and stock is being turned over faster. Hence there has been no additional stock relief, since stocks have been contained at 1977 levels despite a 33 per cent increase in turnover.

After minorities the attributable profit of the optical, scientific and electronic equipment group came out at £2.21m against £1.91m.

● comment

United Scientific's full-year results pleased the market, and the shares jumped 12p to 262p. Excluding Optic, the new U.S. subsidiary, profits are more than a fifth higher on sales up by a third. Demand for the company's specialist optical and electronic equipment, most of which goes to military sources, has been buoyant, especially in South America and the Far East. Sales volume is probably about 16 per cent higher. The weakness of the U.S. dollar has obviously been a worrying factor as 50 per cent of all export contracts are denominated in that currency. Now, however, the company is pricing more of its exports in other currencies. UK sales, mainly to the UK Government, have been flat but this will change if defence spending is increased. The shares stand on a p/e of 10.5 at 262p, while the yield is 3.5 per cent—a rating which anticipates further growth.

29% rise for Carr's Milling

ON TURNOVER ahead from £22.11m to £26.1m Carr's Milling Industries boosted pre-tax profits from £719,418 to £931,830 in the year to September 2, 1978. At the halfway stage pre-tax profits stood at £456,000, against £378,000 over 27 weeks in 1977.

A final dividend of 1.96p net (1.75p) raises the total from 2.63p to 2.92p. Earnings per 25p share are shown as 13.5p, aginst 13.4p.

Tax is up from £49,933 to £256,476. The taxation is all deferred arising mainly from unused stock relief and capital allowances.

Lep £1.3m cash call: plans dividend boost

A dividend-boosting rights issue to raise £1.3m has been revealed by international freight forwarders, The Lep Group. The directors are proposing to issue 637,500 shares on the basis of one-for-ten at 210p each. In the market the shares were steady at 246p.

With the issue comes the forecast of a sharp increase in dividend. The board intends to recommend a second interim, in lieu of a final, of 8.65p per share, raising the total for this year from 3.45p to 12.5p.

Lep also announces figures for the six months to last June. The chairman had already warned that profits would be lower in the first half, and the figures show the pre-tax profit down from £2.55m to £1.95m. Sales are up from £26.2m to £27.1m.

The interim dividend is lifted from 0.97p to 3.85p per share.

Chairman, Mr. Desmond Leeper, says that since the end of June trading has been at a rather more satisfactory level.

Mr. Leeper says that it is desirable to increase shareholders funds in view of the plans for expansion in the UK and overseas. In July a 22-acre site was purchased in a suburb of Vienna for £1½m. Construction contracts for new warehouses and offices should be placed next year, and overall the development could cost £3m. In part this will be financed by the sale of other properties in Vienna.

Other developments include the takeover of Lloyds broker Joseph Hadley. Though the consideration is nominal the acquisition amounts to a rescue operation and Lep has had to inject £400,000 of cash.

Six investment trusts within the John Govett and Co. stable have undertaken to take up their entitlements to 164,500 shares. Rothschild Investment Trust has undertaken to take up its rights amounting to 130,317 shares.

Hill Samuel and N. M. Rothschild have jointly underwritten the balance of 342,683 shares.

Brokers are Hoare Govett.

● comment

There are no immediate cash problems at Lep. Net borrowings are currently around £8m compared with shareholders' funds last December of around £23m, and the major cost of the development in Vienna will not be incurred till 1980. The real reason behind the rights issue is probably revealed in the dividend jump which will lift the yield from 2.1 per cent to 7.7 per cent on an ex-rights basis. Meantime the half-year figures hardly look inspiring, but Lep's fortunes are based on the level of international trade, and the comparison is with a very strong period, when half-time profits jumped by a £1m. The problem Lep faced was that international trade appeared to tail away in the second half of 1977 and was still flat at the beginning of 1978. The second half should be more encouraging and the full-year could produce profits of perhaps £4½m pre-tax compared with £4.69m. On that basis the p/e at 246p is around 7½.

Initial Services jumps £1.8m to £6.3m at interim stage

ON TURNOVER up by over £9m from £43.6m to £52.64m, pre-tax profits of Initial Services expanded £1.8m from £4.47m to £6.27m for the six months to September 30, 1978. For the previous year profits were a record £9.64m.

On capital increased by the group's £7.6m rights issue in September, earnings are shown as 8.5p per 25p share compared with 6.2p and the interim dividend is raised to 1.5p (1.25p) net. Treasury consent has been given for a total of 7.55p gross for the year—last year's final was 3.32467p net.

The group's main activities are provision on a hire, service and replacement basis of towels, coats, industrial garments, machinery cleaning cloths and manufacture of fabric, bathroom fittings, etc.

	Six months 1978 £000	Six months 1977 £000	Year 1977-78 £000
Turnover	52,636	43,603	93,356
Operating profit	6,230	4,564	9,884
Non-trading profit	178	40	69
Loan stock int.	139	139	279
Profits before tax	6,269	4,465	9,644
Tax	2,273	*1,657	4,076
Net profit	3,936	2,808	5,568
Extraord. debits	139	—	387
Minority profits	229	65	†11
Attributable	3,628	2,743	5,192
Preference divs.	12	12	24
Ordinary divs.	792	528	1,932

* Restated to reflect the change in the basis of accounting for deferred taxation adopted in the annual accounts for the 1977-78 year. † Losses.

● comment

Initial's first half results contain no surprises. Profits show a healthy 40 per cent rise, although underlying growth is somewhat less because of the Kex acquisition, which did not contribute last time. As usual, Initial is keeping its cards close to its chest but growth is apparently broadly based. Certainly, continuing buoyant demand for industrial protective clothing must have helped. Although this side of the business is making increasing demands on working capital the recent £7.58m rights issue will relieve much of the pressure on the balance sheet. On doubled first half earnings, the shares, at 91p, are on a prospective p/e of 5.5 (average capital) while the yield is 8.4 per cent.

Normand Electrical increase to £0.54m in first half

AFTER INTEREST of £109,000 against £118,000, profits before tax of Normand Electrical Holdings improved from £381,000 to £540,000 in the 28 weeks ended September 9, 1978.

After tax of £264,000 (£190,000) earnings per share are shown as 3.8p (2.7p). The interim dividend is raised from 1.0643p to 1.1885p and it is intended to raise the final by 10 per cent.

A supplementary dividend of 0.0267p is also proposed for 1977-78. The total dividend in that year was 2.826p from record pre-tax profits of £1.01m.

The Board states that order books during first 28 weeks were light and continue to be so although an improvement in order input is showing in some important areas.

It is too soon to be certain that a definite upward trend has been established. Margins are being held and the group is well placed to meet any increased demand.

Sutcliffe, Speakman off £11,000

WITH PRE-TAX profits down £11,000 to £201,000 at the halfway stage to September 30, 1978, the board of Sutcliffe Speakman and Co. warns that the second-half results will be adversely affected.

The directors point to a shortfall in orders for the brickmaking plant due to a downturn in business and to site problems with a Middle East contract.

For the whole of last year the group turned in pre-tax profits of £566,000, against £339,000.

Turnover for the half year was up slightly from £4.2m to £4.33m.

The interim dividend is maintained at 1.3164p net. The total last year was 2.3846p. Stated earnings per share are 2.91p, adjusted for last year's rights issue, against 0.31p.

Profit after tax and minorities is down £5,000 to £94,000.

Courtaulds Knitwear margins hit

ON SALES of £46.53m against £41.32m, profits of Courtaulds Knitwear amounted to £1.81m in the first half of 1978 compared with £2.45m in the same period last year.

Although profit margins continue to be under pressure, the directors say that the second half trading profit is expected to match last year's level.

The first half profit is after finance charges of £878,000 (£248,000). Again there is no tax charge.

EDINBURGH INVESTMENT

Edinburgh Investment Trust has repaid part of its foreign borrowing amounting to U.S.$3m.

Caffyns well up so far

PRE-TAX profits of Caffyns, car and commercial vehicle distributor, rose from £470,575 to £549,445 for the half year to September 30, 1978.

And they were after depreciation, interest and pension fund contribution had more than doubled to £313,500 against £154,884.

For the whole of the previous year profits reached a record £1.1m.

Turnover for the first half was well up at £22.31m compared with £17.45m last time. Pre-tax figure was subject to a tax charge of £298,500 against £249,800.

The interim dividend is raised from 2p to 2.2p net per 30p share—last year's final was 4.4p.

MANOR NATIONAL

Acceptances of Manor National Group Motors' offer for Oliver Rix—already unconditional—now total in excess of 90 per cent. As already announced acceptances of the Manor offer for Manchester Garages also total in excess of 90 per cent. Balance in both cases will be acquired compulsorily.

Greene King rises 18% to £2.26m mid-year

PRE-TAX profits of Greene, King and Sons, brewer, advanced from £1.91m to £2.26m for the half year ended October 31, 1978 on turnover of £21.3m against a previous £18.85m.

The directors state that present indications are that results for the full year should match the progress of the first half—profits for the 1977/78 year were a record £4.25m.

Including the full amount of the maximum permitted increase for the year, the interim dividend is raised to 3.4472p net per 25p share compared with 2.677p—last year's final was 4.5787p.

	Half year 1978 £000	Half year 1977 £000
Turnover	21,300	18,850
Pre-tax profit	2,265	1,915
Tax	1,105	938
Net profit	1,160	977

● comment

Greene King's 18 per cent pre-tax profit increase in the period is reasonably impressive, based as it is on a 5 per cent rise in beer volume and a good increase in the volume of wine and spirits sold. The share price was, however, unchanged yesterday at 330p. Basically, investors have come to expect profit growth from the East Anglian brewer and have it on a high rating relative to other regional breweries. Prospects for the remainder of the year are good. The first half margin was 10.6 per cent compared with 10.2 during the corresponding period last year. With sales volume up and a price rise imminent it is likely that the figure will be at least maintained. A full year pre-tax profit of £5m is probably not beyond the company's reach and this gives the shares a prospective p/e of 12.7. With dividend increase restricted to 10 per cent the prospective yield is 4 per cent. The company is a strong performer but its shares, at this level, fully reflect its immediate potential.

Woodrow Wyatt better trend

In their interim statement, the directors of Woodrow Wyatt Holdings, printer, state that prospects are looking brighter than for some time past.

For the six months ended September 30, 1978, the company has continued the recovery shown in the latter part of the previous year, with a profit of £171,267, compared with a loss of £248,348 in the corresponding period last year.

The profit was struck after interest of £100,099 (£113,856) and exceptional items £37,666 (£70,377), but takes account of £119,686 (£13,570) surplus on sale of assets.

There is no tax this time, against a credit of £129,000. Interim dividends are resumed with a declaration of 1p net per 5p share. In 1977-78, a single 0.1p was paid.

The order book "looks good" for the remainder of the current six months, which is usually the best part of the year. Borrowings are being reduced steadily.

Eldridge, Pope ahead to £1.43m

RECORD TURNOVER and profits are announced by Eldridge Pope and Co., the brewer, maltster and wine and spirit merchant. Pre-tax profits are ahead from £1.12m to £1.43m on turnover up £1.38m to £12.64m in the year to September 30, 1978.

The profit includes extraordinary items of £117,035, against £35,721.

The directors say to give proper comparisons the figures take account of a prior year's adjustment.

The final dividend of 4.05p net per £1 share lifts the total from 6.1p to 6.88p.

BIRD NOW IN LIQUIDATION

The resolution to place Bird and Company (Africa) in members voluntary liquidation has been duly passed, and Mr. David Hill, a partner of Coopers and Lybrand in Jersey, has been appointed liquidator.

It is expected that an initial distribution will be made at an early date when most of the available funds will be paid to stockholders.

Hunslet down £280,000

ON TURNOVER ahead £1.19m to £8.78m for the 52 weeks to August 6, 1978 pre-tax profits of Hunslet (Holdings), the engineering group, fell from a record £1.21m to £928,000. The comparative figures are for 53 weeks to August 7, 1977.

The profit includes £105,090 (£38,000) from the sale of securities.

The interim dividend is raised from 2.30596p net to 2.57498p, and earnings per 25p share are shown as 41.4p, against 48.6p.

Tax was down from £622,000 to £431,000.

Hardys and Hansons up £0.25m

AFTER A good second half Hardys and Hansons boosted pre-tax profits for the year to September 29, 1978 from £1.61m to a record £1.86m. Turnover was ahead from £9.21m to £10.23m. At midway the group was £33,000 up at £796,537.

The final dividend of 5.5p lifts the total from 7p to 7.8p net. Earnings per 25p share are shown up from 14.9p to 17.3p.

Tax takes £986,199 (£857,711) leaving net profit up at £873,123, against £752,637. There are additional credits of £214,122 (£128,958).

Kennedy Smale expands

ON SALES up from £1.12m to £1.52m in the half year to September 30, 1978, Kennedy Smale pushed up pre-tax profits from £174,705 to £244,440.

The directors say they expect progress to be maintained and the profit for the year comfortably to exceed the £382,000 for 1977-78.

The interim dividend is lifted from 0.792p to 0.884p net per 10p share, and a final of 0.884p is forecast. Last year the company paid a total of 1.596p.

Tax takes £127,108 (£90,846) and minorities £26,379 (£10,281).

Crystalate ahead to £617,000

ON TURNOVER well ahead from £5.16m to £8.57m for the year to September 30, 1978, Crystalate (Holdings) pushed up profits from £269,000 to £313,000 after all charges including tax of £304,000, against £253,000.

At the half way stage net profit stood at £135,000 (£103,000) after tax of £122,000 (£89,000).

The dividend is lifted from 0.66p net to 0.737p. Earnings per 5p share are shown up from 2.99p to 3.02p, and fully diluted from 2.48p to 2.53p.

ENERGY SERVICES

On December 31, Energy Services and Electronics will issue 173,247 ordinary shares in settlement of the final instalment of £25,000 due to the minority holders in Neve Electronic Holdings.

Gilgate Board under fire

The directors of Gilgate Holdings, the controversial industrial property group which is the subject of a Department of Trade investigation, came in for strong criticism at yesterday's annual meeting.

A poll was demanded on three main resolutions including the adoption of the 1975/6 accounts. Although these were passed, a special meeting to consider important transactions since that date was adjourned while up to date information was prepared. It will now be held no later than March 30 and could be earlier, the Board hopes.

Gilgate's accounts for 1975/6, finally published in late November, received a four-page auditors' report containing 8 significant qualifications. In particular, Deloitte Haskins, the auditors, who did not seek re-election, said that the company had not kept proper accounting records of transactions during the year.

One of the important issues raised by the auditors was a number of transactions with Raybourne Group, a company, in which three of the directors, Mr. John Kidd, the chairman, Mr. D. C. Reynolds, the secretary, and Mr. David Lucas, an estate agent, all have interests.

At yesterday's meeting the Board was questioned closely about the company's main asset, a 50-acre industrial estate on which the company now has developed some 300,000 square feet of warehouse space producing an annual income of £85,000.

The estate was bought in 1975 from Raybourne for £2m, the price at which it had been valued a year earlier when the property market had been much firmer.

VERELLEN

Shareholders of Verellen, a UK public quoted company which is a manufacturer of cigars and cigarillos in Belgium, have voted to transfer the domicile of the company to Belgium. In a circular last month, the Board told shareholders that this would reduce the costs of the company.

The quotation on the London Stock Exchange would be lost and the London register would be closed.

G. M. Firth recovering

With steel stockholding mainly responsible for sharply increased trading profit of £208,000, against £113,000, G. M. Firth (Metals) achieved a turnround from a £29,000 pre-tax loss to a £94,000 surplus in the half year to September 30, 1978. Group externals sales were £0.28m higher at £4.01m and the surplus was struck after bank interest down from £103,000 to £62,000.

Last year there was a recovery in the second half leaving full year profit at £30,000—far below the record £0.9m seen in 1973/74.

Steel stockholding accounted for £172,000 of the first half trading result: the remainder coming from the company's new property dealing subsidiary.

Earnings per 10p share were 1.5p (loss 0.7p) or, after an extraordinary gain of £39,000, at 4.8p. The extraordinary item related to the sale of freehold properties, plant and machinery comprising surplus land at West Bromwich, the depot at Coatbridge, Glasgow, and the depot at Bootle.

There is a net interim dividend this time of 1.5p (nil). The final last time was 2.5p.

Following the sale of the Bootle premises a sales office has been opened at Stockport at a minimal capital cost and the group will continue to serve the Scottish market from its large depot at Stillington on Teeside.

These changes will result in a considerable cut in overhead expenses but Mr. G. M. Leadbeater, the chairman, says he does not anticipate a substantial effect on sales volume as customers can be efficiently served from the company's remaining depots.

Russell Bros. £6,700 off at halftime

The directors of Russell Brothers (Paddington), shopfitting specialist joinery and exhibition contractor, report a fall in turnover from £953,500 to £709,400 for the half-year to August 31, 1978, and a £6,700 drop in taxable profits to £41,100.

The current high inventory level coupled with confirmed orders on the books, encourages them, however, to look forward to the future with confidence.

In order to reduce disparity, the interim dividend is increased to 1.25p (1p) net per 25p share—last year's final payment was 3.25p from profits of £91,000. Mr. E. R. Russell, chairman, has waived the interim on 221,020 shares.

First-half tax takes £27,100 against £25,930, leaving net profit at £14,000 (£21,850).

Results due next week

Next week's Stock Exchange list—the last before Christmas—is relatively thin. The main features are interim and final results respectively for Unigate and Northern Foods, both with important dairy interests, first half profits from Scottish and Newcastle Breweries and a full-year announcement from BOC International.

In the food sector, Unigate is due to report first half results on Thursday while Northern Foods is scheduled to make its preliminary announcement on Tuesday. Both companies are finding it difficult to provide for much growth on the liquid milk side, mainly because of falling demand, while dairy products have been hit by a surplus of capacity in a static market. Analysts are expecting between £15m and £16m from Unigate, against about £9.5m after allowing a depreciation charge for freehold properties, and about £22m from Northern Foods (£17.91m).

Meanwhile, analysts are expecting BOC International to turn in lower profits for the year, in spite of a possible improvement in the gases division. The profits, expected on Wednesday, could be around £67m (£82m), given generally worsening trading conditions. The strike earlier this year could have cost about £5m while the downturn in the value of the dollar might take another £3m.

Half time figures from Scottish and Newcastle next Wednesday are unlikely to prove very exciting. Last year a combination of a shortage of cans plus industrial unrest resulted in a 4 per cent decline in S and N's beer volume. The first half of 1978-79 probably saw S and N recapture some of its market share, but not all. Overall pre-tax profits are unlikely to be much higher than last year's £22.1m.

Other results to note include Tricentrol (third quarter), an interim from FMC and finals from Westinghouse Brake and Signal, Charterhouse Group and Sotheby Parke-Bernet.

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
FINAL DIVIDENDS				
Bluemel Bros.	Friday	1.5	2.17	1.68
BOC International	Wednesday	1.54	1.795	1.65
Charterhouse Group	Thursday	1.18	2.175	1.45
Homfray	Thursday	1.3125	1.5125	1.3125
Jackson (J. and H. B.)	Monday	0.40625	0.50125	0.5
Mowat (Wm.) and Sons	Monday	—	—	—
North British Steel Group	Monday	0.8	1.215	0.88
Northern Foods	Tuesday	0.71429	1.5	2.23681
Plaxton's (Scarborough)	Tuesday	1.5	2.4	1.73
Porvair	Tuesday	Nil	Nil	Nil
Reliable Properties	Monday	—	—	—
Sotheby Park Bernet Group	Monday	—	5.0754	3.0
Westinghouse Brake and Signal Company	Tuesday	0.83014	1.2971	0.927
INTERIM DIVIDENDS				
AGB Research	Wednesday	0.825	1.7025	
Anglo American Asphalt Company	Monday	1.065	1.62	
Bailey's of Yorkshire	Thursday	1.0	2.643	
British Steam Specialties Group	Monday	1.36364	3.30636	
Christy Bros.	Monday	0.66	2.144	
Continuous Stationary	Friday	0.9	1.62	
County and District Properties	Tuesday	0.4356	0.4422	
Danae Investment Trust	Monday	1.35	1.75	
Diamond Stylus Company	Tuesday	0.234067	0.416933	
Edbro (Holdings)	Wednesday	2.03	4.2545	

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
Electric and General Investment Company	Tuesday	0.65	0.9	
Equity Consort Investment Trust	Wednesday	1.93	4.8375	
FMC	Tuesday	Nil	4.0	
Forminster	Thursday	1.3916	1.40854	
Harris (Philip) (Holdings)	Wednesday	1.7	2.978	
Laurence Scott	Tuesday	2.0	3.0	
Lindustries	Thursday	3.0	6.0	
Monk (A.) and Co.	Monday	1.0	2.3085	
Nova (Jersey) Knit	Wednesday	0.5	1.0	
Paterson (R.) and Sons	Thursday	1.0375	1.51	
Pethow Holdings	Wednesday	1.5	2.5065	
Plysu	Tuesday	0.5429	0.5467	
Radiant Metal Finishing Company	Wednesday	0.35	1.25	
Scottish and Newcastle Breweries	Wednesday	1.35	2.05912	
Siebe Gorman Holdings	Monday	2.212	3.429	
Stanhope General Investment Company	Tuesday	1.96	2.9	
Tox Abrasives	Tuesday	0.75	2.27234	
Trustees Corporation	Thursday	3.5	3.25	
Unigate	Thursday	1.23	2.105	
INTERIM FIGURES				
Crown House	Monday			
Hazlewoods Proprietary	Tuesday†			
Tricentrol	Monday†			

* Dividends shown net pence per share and adjusted for any intervening scrip issue. † Third quarter figures.

RESULTS AND ACCOUNTS IN BRIEF

KWIK SAVE DISCOUNT GROUP—Results for September 2, 1978, reported November 17 in preliminary statement with prospects. Group fixed assets £28.49m (£20.37m), current assets £17.31m (£13.47m), liabilities £20.9m (£17.33m). Pre-tax profit £9.7m reduced to £9.34 on CAA basis after depreciation £399,000, cost of sales £934,000 (less the same amount financed by net trading creditors), and the gearing factor £42,000. Net inflow of funds £4.33m (£2.34m outflow). Meeting, Prestatyn, December 29 at noon.

J. E. SANGER—Results for 15 months to June 30, 1978, reported November 25 in full preliminary statement with prospects. Group fixed assets £1.92m (£367,000 as at March 31, 1977), net current assets £1.14m (£3.44m). Decrease in working capital of £3.41m (£279,000 increase). Meeting, 87, Bartholomew Close, EC, December 29 at 2.30 pm.

EDINBURGH AND GENERAL INVESTMENTS—Turnover half-year to June 30, 1978, £211,838 (£214,189). Loss £31,858 (profit £15,057) after tax charge £2,429 (£16,700). Attributable loss £25,210 (profit £15,277). Loss per share 0.7p (earnings 0.4p). Comparisons adjusted to eliminate results of subsidiary now sold.

UNISEL GOLD MINES—Results for September 30, 1978 year already known. Mining assets R51.06m (R34.79m), net current liabilities R344,000 (R88,000 assets). Meeting, Johannesburg, January 25.

KINROSS MINES—Results for year to September 30, 1978, as previously published. Mining assets R32.33m (R31.68m). Net current assets R2.42m (R7.62m). Meeting, Johannesburg, January 26.

ST. HELENA GOLD MINES—Results for year to September 30, 1978, already reported. Mining assets, R31.48m (R79.63m). Net current assets, R4.46m (R4.49m). Meeting, Johannesburg, January 23.

LESLIE GOLD MINES—Results for year to September 30, 1978, already known. Mining assets R28.05m (R26.07m). Net current assets, R2.04m (R1.21m). Meeting, Johannesburg, January 26.

WINKELHAAK MINES—Results for September 30, 1978, year already known. Mining assets R40.66m (R40.58m), net current assets R3m (R2.15m). Meeting, Johannesburg, January 26.

GLENMURRAY INVESTMENT TRUST—Final dividend 1.2p making 1.85p (1.7p) for year ended October 31, 1978. Interim dividend of 0.6p (0.55p) for current year is recommended. "B" Ordinary holders will receive capitalisation issue to "B" shares equivalent in asset value to the recommended final dividend and interim dividend for current year. Revenue £216,723 (£179,807) before tax of £97,653 (£79,228). Earnings per Ordinary share 2.07p (1.77p). Net asset value per Ordinary and "B" Ordinary 101.4p (92.1p).

NEW THROGMORTON TRUST—Net asset value per £1 capital loan stock at December 8, 1978, was 187.25p.

HERMAN SMITH (manufacturing and electrical engineering)—Results for the year ended June 30, 1978, already reported. Chairman says that productivity has now improved. If this continues together with a rise in the forward order levels the chairman believes that group profits will recover this year. Group fixed assets £937,251 (£1.14m). Net current assets £777,033 (£568,864). Meeting, Birmingham, December 29, at noon.

KAMUNTING TIN DREDGING—Interim dividend of 7.5 cents per share less Malaysian income tax at 40 per cent for year ending March 31, 1979, payable on January 31, 1979, to all shareholders on register on December 28, 1978.

WOLVERHAMPTON STEAM LAUNDRY—Pre-tax profit half-year to September 30, 1978, £7,600 (£2,600). Tax £3,200 (£1,100). Profit attributable £4,400 (£1,500). Turnover £341,600 (£314,400). Chairman says future is still clouded. Group likely to be faced with a substantial wage increase at Christmas.

BEN WILLIAMS—Pre-tax profit for six months to June 30, 1978, £28,890 (£17,271). Chairman says recommendation of return to dividends may be anticipated with publication of year's results.

FIVE OAKS INVESTMENTS—Pre-tax profit for year to June 30, 1978, £4,029 (£11,888) after interest £55,444 ([illegible]). Tax nil (same). Group profit £64,154 (£41,058) after extraordinary credits £59,218 (£29,192). Loss per share 0.15p (earnings 0.01p). No dividend (same).

BOSCOMBE PROPERTY—Net profit half year to September 30, 1978 £22,280 (£22,479) after tax £23,369 (£22,488). Interim 4.0p. Earnings per share 28.33p (20.73p).

GROOTVLEI PROPRIETARY MINES—Final dividend for 1978: 22 (14) South African cents payable February 16.

MARIEVALE CONSOLIDATED MINES—Final dividend for 1978: 38 (24) South African cents payable February 16.

CARDIFF MALTING CO—Final dividend 0.5p making 1p (1.7p) for year to September 30, 1978. Turnover £312,034 (£607,247). Profit £2,833 (loss £23,643) after all charges including tax credits £65 (£23,303).

SOUTH CROFTY—Interim dividend 1.075p (1.65p) for 1978-79. Payable January 19.

WESTINGHOUSE BRAKE AND SIGNAL—Second interim dividend of 1.4483p for year to September 30, 1978, payable January 31.

ASSOCIATED BRITISH ENGINEERING—Turnover £731,000 (£1,480,000) for six months to September 30, 1978. Pre-tax profit £48,000 (£59,000) after interest on bank loan and overdraft £38,000 ([illegible]). Tax £22,000 (£29,000). Earnings per share 0.3p (0.4p).

CUMULUS INVESTMENT TRUST—Results for year to September 30, 1978, already known. Investments at valuation £2.75m (£2.44m). Meeting, 20, Fenchurch Street, EC, December 29 at noon.

MACANIE (LONDON)—Interim dividend 0.31p (plus additional 0.025p for 1977) for 1978. First half sales £9.84m (£9.30m). Pre-tax profit £39,000 (£38,000). Tax £24,000 (£19,000). Minorities £5,000 (same). Attributable to ordinary £10,000 (£15,000). Board states that trading results for full year are expected to show improvement over results of 1977.

OLD SWAN HOTEL (HARROGATE)—Interim dividend 3 per cent (3.918 per cent on old capital), payable January 1. Chairman reports maintenance of turnover and profitability during year to date as group enters less profitable period of financial year, notwithstanding increasing pressure of costs directors are of opinion that they will be able to recommend the maximum total dividend permitted, for year to March 31, 1979.

EAST RAND PROPRIETARY MINES—Dividend No. 114 of 16 cents per share payable January 6.

BLYVOORUITZICHT GOLD MINING—Dividend No. 61 of 40 cents per share, payable January 6.

DURBAN ROODEPOORT DEEP—Dividend No. 116 of 30 cents per share, payable January 6.

ST. GEORGE'S LAUNDRY (WORCESTER)—Turnover half year to August 31, 1978, £748,577 ([illegible]), profit £34,880 (£16,033) after tax, £34,737 (£10,745). Earnings per 10p share 1.44p (0.42p). Interim dividend 0.28p (same) net. Profit includes £3,741 temporary employment subsidy, ie, £11,880, less tax £8,139.

C. A. SPERATI—Net profit, year to October 31, 1978, £11,886 (£15,110) after tax £12,819 (£14,167). Earnings per share 22.9p (30.2p). Dividend 8.4p net.

W. J. PYKE (HOLDINGS)—Turnover, year ended June 30, 1978, £3,353,839 (£3,835,768). Profit £40,522 (£16,380) after tax of £3 (£5,169). Earnings per share 2.0p (2.94p). Results for year to June 30, 1977, restated to take account of company's change in accounting policy on deferred taxation.

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SUMMARY OF THE WEEK'S COMPANY NEWS

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Take-over bids and mergers

English Property Corporation, Britain's second largest property group, has received a £40.4m cash takeover bid from long-time suitor, the Dutch Wereldhave concern. Wereldhave have made the offer just a month after secret takeover negotiations with EPC were broken off. The bid comprises 37p for each ordinary share, 74p for each preference share, and £86.58 per £100 nominal of the 6½ per cent Convertible Unsecured Loan Stock. *The EPC board has strongly advised shareholders to take* no action pending a further announcement.

Hawker Siddeley's latest move in its spending programme to strengthen its engineering interests came with the launch of its largest takeover bid with a £40.5m agreed cash offer for **Westinghouse Brake and Signal**. The offer is 95p cash for each Westinghouse share backed by an alternative of 38 Hawker shares for every 100 Westinghouse. Hawker has stressed that the acquisition would extend its railway product range. Westinghouse already supplies braking systems for Hawker railway carriages manufactured by the latter's Canadian subsidiary.

Comfort International, formerly Adda International, has launched a £5.7m shares and cash bid for **City Hotels**. Terms of the offer are 17 *ordinary shares* in Comfort plus 300p cash for *every four ordinary shares in City Hotels. With most* hotels within the enlarged group in close proximity in central London, the merger is seen to have complementary benefits.

Ferguson Industrial Holdings has made an agreed £2.26m cash and shares bid for **Peerage of Birmingham**, manufacturers of furnishing and ornamental brassware. The offer is one ordinary share of Ferguson and 90p in cash for every three ordinary shares in Peerage valuing each of the latter's shares at about 68½p with Ferguson's shares at 116p. Ferguson sees the bid as an attempt to lessen its dependence on the construction industry.

Associated Biscuit Manufacturers has agreed to buy Smiths Food Group for £16.4m cash from the U.S. General Mills Inc. Smith's products, crisp and snacks, generate an annual turnover of around £65m and will now have access to ABM's retail distribution network, enabling ABM to compete with Golden Wonder Crisps and KP Nuts in the supermarket and grocery trades.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid (£m's)**	Bidder	Final Acc'tce date
Prices in pence unless otherwise indicated.						
Alginate	385*	309††	309††	21.01	Merck	—
Bambergers	77§§	76	88	7.60	Intl. Timber	—
Cedar Hldgs.	26*	24	19	0.6	Lloyds & Scot.	—
City of Aberdeen Land	103½*	100	87	0.93	Scot. Western Trust	—
City Hotels	190§§	126††	126††	5.69	Comfort Intl.	—
English Property	37*	39	36½	35.35	Wereldhave	—
Gibbons (Stanley)	307§§	228††	228††	18.82	*Letraset*	—
Haggas (John)	197§§	194	181	24.55	Dawson Intl.	—
Kean & Scott	10*	23††	12	0.04	Unknown	—
Leisure Caravans	143*	112††	112½††	19.9	Rank Org.	—
Midland Educational	150*	236	120	2.10	Pentos	21/11
Midland Educational	241§§	236	230	3.57	A. Preedy	—
Myddleton Hotels	300*	295	215	4.41	Ladbroke	—
Peerage of Birmingham	68§§	67	54††	2.26	Ferguson Industl. Holdings	—
Plantation Hldgs.	64*	63	64	12.89	Multi-Purpose	—
Randalls	119§§	108	98	2.92	Whitecroft	—
Sabah Timber	71§§	68	34	12.31	Harrisons & Crosfield	—
Trident Group Printers	100*	100	84	4.38	Argus Press	29/11
Turner Curzon	8*	7½	11½	1.74	S. W. Berisford	—
Warne Wright & Rowland	65½§§	64	53	6.75	B. Priest	—
Warwick Eng.	41*	41	40	2.46	Mr. N. Gidney	—
Westinghse. Brake	95†	90	62	40.5	Hwkr. Siddeley	—

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Combined market capitalisation. ‖ Date on which scheme is expected to become operative. ** Based on 14/12/78. †† At suspension. ‡‡ Estimated. §§ Shares and cash. ¶¶ Based on 15/12/78.

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Assoc. Cmcns. Cpn.	Sept. 24	6,109	(5,013)	3.1	(2.77)
Audiotronic	Sept. 2	182L	(19)L	Nil	(Nil)
Barker & Dobson	Oct. 14	374	(22)	0.2	(Nil)
Beechwood	Sept. 30	225	(135)	0.592†	(0.5)
Booth (John)	Sept. 30	128	(57)	—	(—)
Braham Miller	Sept. 30	214	(511)	0.6	(0.545)
Braithwaite	*Sept. 30*	*318*	*(464)*	*2.211*	*(1.98)*
Brownlee	Sept. 30	405	(318)	0.627†	(0.5)
Brown (N.)	Sept. 2	301	(310)	0.825	(0.825)
Bulmer (H. P.)	Oct. 27	1,919	(1,151)	4.958‡	(4.4)‡
Chapman (B'ham)	Sept. 30	408	(43)	1.626	(1.478)
Deritend Stamp'g	Sept. 30	663	(820)	3.3	(3.3)
Distillers Co.	Sept. 30	86,000	(76,600)	3.0	(2.695)
Dom Hldgs.	Sept. 30	355	(406)	1.792	(1.605)
Ferranti	Sept. 30	3,220	(2,750)	1.917	(Nil)
Fuller Smith	Sept. 29	742	(588)	1.75	(1.5)
Guthrie	June 30	4,758	(11,124)	6.0	(6.0)
Haslemere Ests.	Sept. 30	1,820	(1,270)	1.1	(1.0)
Heywood Williams	Oct. 29	372	(181)	2.01	(3.35)
I.C. Gas	Sept. 30	1,470	(3,040)	6.088†	(4.0)
Latham (James)	Sept. 30	761	(501)	2.95	(2.65)
L.M.S.	Sept. 30	3,460	(4,040)	0.333	(0.24)
L.R.C. Intl.	Sept. 30	343	(536)	1.048	(0.938)
May & Hassell	Sept. 30	7,960	(7,470)	2.0	(1.7)
Meyer (M L.)	Sept. 30	3,320	(4,130)	0.698	(0.698)
Mitchell Somers	*Sept. 30*	*925*	*(1,260)*	*1.73*	*(1.57)*
Phoenix Timber	Sept. 30	45	(520)	2.0	(2.0)
Preedy (Alfred)	Sept. 23	160	(295)	0.75	(0.575)
Rowlinson	Sept. 30	108	(604)	0.181	(0.181)
Shaw Carpets	Oct. 27	949	(304)L	1.0	(Nil)
Standard Chtd. Bk.	Sept. 30	67,236	(62,466)	8.5	(7.75)
Sterling Inds.	Sept. 30	300	(474)	0.4†	(0.35)
St. Piran	Sept. 30	1,900	(1,300)	—	(—)
Toothill (R. W.)	Sept. 30	24	(16)L	—	(Nil)
UGI	Oct. 1	1,010	(770)	1.105	(0.99)
Ward & Goldstone	Sept. 30	1,401	(1,235)	0.9	(0.866)
Whitecroft	Sept. 30	2,459	(1,815)	2.5	(2.2)
Wilkinson Match	Sept. 30	9,266	(7,223)	4.223	(3.782)

Dividends shown net except where otherwise stated. (Figures in parentheses are for corresponding period.)

* Adjusted for any intervening scrip issue. † Including special dividend due to change in tax rate. ‡ Including second interim. L Loss.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Assoc. Engrg.	Sept. 30	29,400	(32,500)	13.7	(19.4)	5.24	(4.60)
Buggeridge Brick	*Sept. 30*	*325*	*(277)*	*3.9*	*(3.3)*	*2.607*	*(2.335)*
Bass Charrington	Sept. 30	105,500	(90,400)	28.4	(22.4)	6.1	(4.843)
Borthwick (Thos.)	Sept. 30	8,220	(6,400)	10.5	(11.4)	6.2	(6.2)
Caravans Intl.	Aug. 31	2,710	(3,760)	13.2	(29.0)	5.158	(4.62)
Carroll (P. J.)	Sept. 30	4,800	(4,800)	10.9	(6.7)	7.096	(6.061)
Chemring	Sept. 30	378	(262)	8.4	(6.7)	1.435	(1.284)
City Dublin Bank	Sept. 30	742	(426)	5.5	(3.2)	3.25	(2.625)
Compair	Oct. 1	11,323	(12,216)	11.6	(13.5)	4.037	(3.622)
Dobson Park Inds.	Sept. 30	13,775	(11,133)	16.9	(12.7)	4.0	(2.132)
Dubilier	Oct. 1	1,110	(830)	2.1	(1.6)	1.103	(0.988)
Greenall Whitley	Sept. 29	11,540	(10,181)	16.9	(16.2)	2.928	(2.622)
Hawkins & Tipson	Aug. 31	1,101	(977)	14.4	(15.7)	4.458	(3.993)
ICL	Sept. 30	37,500	(30,300)	79.4	(54.2)	8.201	(7.425)
Lee (Arthur)	Sept. 30	1,888	(2,857)	4.7	(3.6)	1.54	(1.45)
MAM	July 31	2,785	(2,329)	23.6	(16.3)	6.265	(5.61)
Marley	Oct. 31	18,616	(15,359)	12.7	(12.0)	2.781	(2.49)
Martin Newsagent	Oct. 1	3,159	(2,916)	42.1	(48.4)	7.37	(6.6)
MEPC	Sept. 30	10,276	(8,972)	5.3	(2.1)	3.828	(1.7)
Notts. Brick	Sept. 30	635	(509)	63.8	(56.6)	12.897	(11.55)
RHP	*Sept. 28*	*3,800*	*(5,120)*	*6.5*	*(8.3)*	*4.29*	*(3.842)*
Readfearn Glass	Oct. 1	3,899	(4,383)	58.8	(73.2)	15.84	(10.38)
Redman Heenan	Sept. 30	2,812	(2,532)	14.0	(18.1)	2.027	(1.815)
Saatch & Saatchi	Sept. 31	1,870	(1,250)	16.9	(11.3)	4.79	(3.11)
Serck	Sept. 30	5,150	(9,320)	7.3	(17.5)	6.534	(5.94)
Stenhouse Hldgs.	Sept. 30	10,300	(10,020)	13.6	(13.0)	4.52	(4.05)
Trafalgar House	*Sept. 30*	*60,631*	*(46,414)*	*24.1*	*(18.6)*	*5.76*	*(5.16)*
Utd. Spring	Sept. 30	1,270	(765)	5.0	(5.0)	1.621	(1.452)
Vaux Brews.	Sept. 30	7,520	(5,740)§	19.4	(12.2)§	3.025	(3.692)
Wearra	Sept. 30	441	(303)	10.3	(6.6)	1.459	(1.308)
Whessoe	Sept. 30	2,893	(3,426)	15.4	(18.1)	5.141	(4.604)
W'hampt'n Dudley	Sept. 30	7,120	(5,770)	21.1	(17.0)	6.565	(5.738)
	Oct 1	11,323	(12,216)	11.6	(13.5)	4.037	(3.622)

§ Annualised figures. Profit for previous 17 months was £8.24m.

Scrip Issue

Trafalgar House: One for two.

Rights Issues

Associated Biscuits: One for three at 60p.
Milbury: One for seven at 55p.

Companies and Markets

BIDS and DEALS

Leisure Caravan agrees to 143p cash offer from Rank

A major expansion of its camping holiday interests is planned by Rank Organisation. It has agreed a £19.9m cash offer for Leisure Caravan Parks, a company which provides camping sites for caravans throughout the UK, and in Europe and recently the US.

The offer of 143p per share is considered likely to succeed. The two founders of LCP, Mr. Peter Harris and Mr. David Allen, and their families, have already *accepted in respect of their own* shares which amount to 46 per cent of the total equity.

Leisure Caravan's shares, which had been suspended at 112½p, rose *to 141p on restoration after the* bid announcement. The plan is to merge LCP with Butlin's, Rank's holiday camp subsidiary, which would then manage the LCP sites.

In addition to its famous holiday camps, Butlin's also runs nine caravan sites in the UK, mostly in the West Country, and a further nine in France.

It also operates a couple of *marinas on the Hamble River, a* business in which LCP is also involved.

During the year to February 1978 LCP made pre-tax profits of *£1.9m on turnover of £8.6m. Now it is forecasting profits of not less* than £2.2m for 1978/9 before taking into account some £100,000 related to the cost of buying and operating through the loss making winter months the recently acquired Sandy Bay park in Devon.

The last full year's figures from Butlin's, for the 12 months to *June 1977, show that turnover* was £48m and trading profits were £7.7m.

See Lex

EPC rejects Wereldhave

The Board of English Property Corporation has now considered the announcement on behalf of N.V. Beleggingsmaatschappij Wereldhave concerning a proposed offer for the share and loan capital of EPC.

In the opinion of the Board, advised by Samuel Montagu, this offer is even more inadequate than is usual from this source, and the Board strongly recommends share and loan stock holders to take no action in respect of their holdings.

The Board will be writing to holders more fully following the *publication of the Wereldhave* offer document.

INCHCAPE

Inchcape is buying Wood and Steven for less than 0.25 per cent of the net asset value of the Inchcape Group. In yesterday's report the percentage was given inadvertently as 25.

SHARE STAKES

Kelsey Industries—P. B. Arbib, director, has bought 8,000 shares making total 383,820 (16 per cent). M. Arbib, director, has bought 16,000 shares making 397,985 (10.3 per cent). G. F. Arbib, director, has bought 20,000 shares making *419,228 (10.9 per cent). All above* ordinary shares. M. Arbib has sold 6,000 preference shares leaving 27,000 (1.7 per cent). G. F. Arbib has sold 10,000 preference shares leaving 32,784 (2.1 per cent).

Estates and General Investments—P. B. Prowting, director, has disposed of 37,500 shares.

BBA Group—D. M. Pearson has sold *30,000 shares from family* shareholdings. C. M. Fenton has sold 37,000 shares from personal holding and 25,000 shares from trustee shareholdings. M. J. Baty has sold 28,000 shares from personal shareholding. All are directors.

British Electric Traction Company—London and Manchester Assurance Company has acquired 60,000 6 per cent cumulative participating preference shares making total holding 150,000 (21.04 per cent).

Jessel Toynbee and Co—Wife of W. J. Straker-Smith, director, has disposed of 15,000 shares.

Grand Metropolitan—G. T. W. Fenwicke-Clennell, director of Truman, holds 38,000 share options. I. R. Mann, director of Truman, holds 26,870 shares. I. R. Mann, director of Truman, holds as trustee 15,000 shares. R. Pryor, director of Truman, holds 24,342 shares and 38,000 share options. A. H. Fewell, director of Daniell and Sons Breweries, holds 12,000 share options, 1,376 ordinary shares and 477 6½ per cent preference shares. D. J. Dickinson, director of Russells Gravesend Brewery, holds 70,000 share options and 1,808 shares. A. G. Sheppherd, director of Russells Gravesend Brewery, holds 30,000 share *options and 35 shares. All above* companies are subsidiaries of Grand Metropolitan.

Toye and Co.—B. E. Toye, director, has disposed of 20,000 shares *since December 7.*

Electric and General Investment Co.—Post Office Staff Superannuation Fund bought 210,000 shares between July 20 and *December 13, 1978, making holding* 3,303,375 shares.

Culter Guard Bridge Holdings—Security Growth has become interested in 391,000 shares (5.24 *per cent).*

Archimedes Investment Trust—Yorkshire and Lancashire Investment Trust has acquired interest in 93,500 income shares (7.6 per cent).

John Foster and Son—Commercial Union Assurance now holds 426,398 ordinary shares (6.56 per cent).

Lookers—Total of 160,000 shares has been transferred out of a holding of 717,816 shares in names of Mrs. B. E. Radford, Mrs. B. M. Rutherford, Mrs. I. Elliot and D. W. E. Booth leaving 557,816 shares (7.5 per cent). Following the transfer, Mrs. Rutherford and Mrs. Elliot are beneficially interested in addition in holdings of 246,806 and 270,000 shares respectively.

Vickers—Eagle Star Insurance and Norwich Union Fire Insurance have increased their holdings by further purchases of cumulative preference stock to £675,000 (9.83 per cent) and £500,000 (7.28 per cent) respectively.

Avana Group—Sir Julian Hodge has bought 50,000 shares as a beneficial interest.

Thomas Borthwick and Sons—Sir John T. Borthwick, director, on December 13 sold 75,000 shares.

Speedwell Gear Case—Tallboys Manufacturing has disposed of part of its holding, reducing it to less than 5 per cent.

Gulliver Foods takes over management of Louis Edwards

MR. JAMES GULLIVER'S new UK food company, Gulliver Foods, is *to take over the management and a significant financial interest in* the Manchester-based meat company, *Louis C. Edwards and Sons.*

The move is the first major one for Mr. Gulliver since his return *to the UK food sector.* His aggressive marketing skills at both Oriel Foods and the Fine Fare supermarket chain won him a considerable reputation within the grocery retailing sector.

When he left Oriel he was precluded from investing in a number of food related areas by an agreement with RCA, which acquired Oriel Foods for £11m in 1974. *That agreement, however, is* understood to expire at the end of the year.

For the six months to July 31, 1978, Louis C. Edwards incurred a pre-tax loss of £253,764, compared with profits of £115,249 in the corresponding period and £206,640 in the last full year. The deficit was mainly due to problems in the meat sector, with *rising prices and falling consumer* demand.

First half turnover totalled £10.11m (£9.78m) and there was a tax credit of £131,957 (£59,929 charge).

Under the terms of the agreement Gulliver Foods will subscribe 1.5m new ordinary shares of LE at 5p per share and acquire from the Edwards family a *further 500,000 shares at the same* price. In addition GF will be granted by the Edwards family an option over 999,999 shares exercisable at any time between September 15, 1979, and March 15, 1982, at 15p per share or 75 per cent of the average middle market quotation for the 24 dealing days prior to the date of exercise, whichever is the highest.

As a result of the above arrangements the capital of LE will be 10m ordinary shares of which, excluding the 999,999 subject to the option, GF will own 2m (20 per cent of the enlarged capital) and the Edwards family will own 6.79m (67.9 per cent).

In addition the Edwards family, which comprises Mr. Louis C. Edwards, Mr. Douglas J. Edwards and members of their families will undertake for the period to March 15, 1982 to exercise all rights of voting in respect of a total of 2.4m ordinary shares (24 per cent) in accordance with the requirements of GF. The 2.4m ordinary shares will include the *999,999 subject to the option.*

On completion of the arrangement Mr. Louis Edwards and Mr. Douglas Edwards will retire as joint chairmen and managing directors of LE and as directors of the company and Mr. T. McKeown and Mrs. M. Edwards will also be retiring as directors. The retiring directors, other than Mrs. M. Edwards, will receive compensa*tion for loss of office which will* be subject to shareholders' approval.

At the same time Mr. D. G. C. Webster, *Mr. J. G. Gulliver*, Mr. M. A. Grant together with one further representative of GF will join the board. Mr. D. G. C. Webster will become acting chairman and a chief executive will shortly be appointed who will also join the board of LE.

An Extraordinary General Meeting of LE will be convened to approve the issue to GF of 1.5m new ordinary shares and the compensation payments to the retiring directors.

The board of LE, supported by its advisers Arbuthnot Chancery *Trust will recommend all shareholders* to vote in favour of the proposed share issue and the Edwards family have undertaken to vote in favour in respect of their entire shareholding.

It was indicated in the announcement made on October 20, that the proposals being considered would not lead to a general offer. However, the final *form of the proposals is such that* in order to comply with the City Code, GF will, subject to the issue of the 1.5m new Ordinary Shares be making an unconditional offer to all shareholders.

The terms of this offer will be 5p per share in cash. The Edwards family have indicated that they will not be accepting the offer in respect of their remaining share*holdings.*

Alginate Board says 'yes' to 385p

Merck and Company Incorporated, the U.S. pharmaceutical *company*, has gone a long way towards successfully taking over *Alginate Industries.*

The board of Alginate has agreed to recommend a price of 385p per ordinary share and 78p *per preference share*, valuing the seaweed processing group at £21½m. Directors and others holding 32 per cent of the ordinary capital have irrevocably undertaken to accept.

Merck said yesterday that Algi*nate provides interesting opportunities* for it to expand and diversify its UK activities. Merck has long been a manufacturer of pharmaceuticals and fine chemicals in this country employing about 1,200 people.

Among other activities of Merck is the production of algin products in the U.S. Merck has different sources of seaweed from those of Alginate. Both companies believe that the acquisition will mutually strengthen their research, technical service and manufacturing and product development.

The hydrocolloid market, of which algins represent only a small part, is becoming increasingly competitive, says Merck. The combined company would be a stronger contender, the U.S. company maintains. Hydrocolloids are used to control the properties of water in a variety of industries.

Shares of Alginate closed yesterday at 370p. They had been suspended on Wednesday at 309p.

MEDWAY WATER BOARD

The offers made by the Southern Water Authority to acquire all or any of the outstanding 3½ per cent stock December 31, 1995, the 5 per cent stock September 30, 1995 and the 4 per cent stock March 31, 1996, *of the Medway Water Board have* been accepted as follows: £25,500 3½ per cent stock redeemable; £6,950 4 per cent stock redeemable; and £162,006 4 per cent stock redeemable.

The offers have now closed and in view of the very small amount of stock outstanding, the Stock Exchange has agreed that the listing be cancelled with effect from December 18.

PRINCE OF WALES HOTELS

Prince of Wales Hotels is to purchase from Bircheastle, the freehold hotel known as the Royal Albion Hotel, Brighton, together with the goodwill of the business and the trade equipment, fixtures and fittings for total of £575,000 cash. Completion will be on January 31.

There is to be a lease granted back to Bircheastle of the night club in the basement of the hotel *for 25 years with certain rights* being reserved.

BELHAVEN BUYS

Belhaven Brewery Group is to take a 49 per cent interest in **Ascot Management**, operator of licensed premises and discotheques in the Glasgow area.

The cost of the investment will be £60,000 cash and Belhaven *anticipates financing the acquisition* of additional licensed premises for Ascot, all of which will be outlets for Belhaven beers.

For the year ended March 31, 1979 Ascot's profits are anticipated to exceed £40,000, before tax. Net assets currently amount to some £100,000.

H & C buying into Afro Timber

Hard on the heels of its bid to acquire the minority of Sabah Timber it did not already own, **Harrisons and Crosfield** has agreed to buy most of another, albeit much smaller timber merchant. It is *to acquire 85 per cent of* Afro Timber and Plywood for £1.7m in cash and shares.

The remaining 15 per cent is to be retained by the Afro directors for the time being. They have agreed to put and call options with H and C under which *the plantations-based group can* acquire or be required to acquire the outstanding 15 per cent by 1984.

One of the vendors is receiving 7,600 H and C shares while the rest are taking cash. But the acquisition is being entirely *financed by the issue of H and C* shares since the cash is being raised by the allotment of 362,010 *H and C shares to institutional* investors.

LONDON UNITED FURTHER SALES

London United Investments has made further sales of properties producing net proceeds of £1,102,000. The book value of those properties was £869,000 and they *produced a net rental income of* £70,000.

During 1978 the proceeds from property sales now amount to £2,192,000 with property purchases of £336,000 giving a net cash inflow of £1,856,000.

The trustees of the 10½ per cent first mortgage debenture stock 1994 have retained £847,000, and this has been placed on deposit *in the money market with the* interest accruing to London United. The balance of the proceeds have been utilised in increasing the capital of Walbrook Insurance, a wholly owned subsidiary, by £1m to £4.5m.

PLANTATION HLDGS.

The offer by **Multi-Purpose Holdings Berhad** to acquire shares in **Plantation Holdings** not already owned has closed.

Acceptances have been received for 5,317,864 shares (13.63 per cent of capital). MPHB and Malaysian Multi-Purpose Co-operative Society, which is acting in concert with MPHB, now own 25,667,862 shares (63.42 per cent).

AVON RUBBER

Avon Rubber Company has now completed the acquisition of the outstanding 67 per cent of shares *in Avon Lippiatt Hobbs it did not* already own.

ALH develops and applies distribution maintenance systems *used primarily in the gas industry.*

NEWMAN-TONKS

Agreement has been reached in principle for **Newman-Tonks** to acquire Rothley Brass, a supplier *of decorative brass hardware to* the retail trade.

REED COMPLETES

Further to the statement concerning the sale to James Hardie Asbestos by **Reed International** of its 80.53 per cent holding of the capital of Reed Consolidated Industries, Reed announces that it has now completed the acquisition from RCI of the Butterworth companies operating in Australia and New Zealand for A$8.7m *(£5.1m) in cash.*

ROYAL WORCESTER

Rothschild Investment Trust continues to increase its holding in **Royal Worcester**. It has now bought a further 60,000 shares to bring its total holding to 1,850,000, representing some 26.3 per cent of the capital.

Rothschild also owns £156,000 *9 per cent convertible unsecured loan stock.*

L. & S. and Electronic Rentals results

ACCOMPANYING the announcement of the purchase by Electronic Rentals Group of British Relay Wireless, a wholly-owned subsidiary of Lloyds and Scottish, L and S has produced results for the year to September 30, 1978 and Electronic Rentals for the six *months to the same date.*

For the year **Lloyds and Scottish** reports a 50.7 per cent upsurge in pre-tax profits from £17.4m to £26.2m and an increase in stated earnings from 9.31p to 13.97p per 20p share.

The net final dividend is 2.70692p, and raises the total payment from 3.9465p to 4.40692p.

The full year profit increase *follows an advance from £7.63m* to £12.62m at halfway, and the directors say that all sectors of the instalment credit and leasing divisions have performed well.

	1977-78 £000	1976-77 £000
Profit before tax	26,211	17,391
Company and subs.	21,411	13,024
Share of assoc.	4,800	4,367
Tax	11,486	7,439
Deferred	8,161	4,997
Other	864	191
Share of assoc.	2,461	2,251
Profit after tax	14,725	9,952
Minority profits	777	396
Extraordinary debits	921	*51
Attributable	13,027	9,607
Interim div.	1,821	1,563
Final	2,807	2,524
Retained	8,299	5,520

*Credits

After the satisfactory winter months, the second half continued to show increasing volume and market share, *although rising* interest rates resulted in narrowing margins. The industrial and commercial division performed satisfactorily, helped by a lower average cost of money than in the prior year.

Net borrowings at the year end amounted to £457.8m (£332m) with the borrowing ratio to shareholders' funds at 5.8 (5.1).

Pre-tax profits of **Electronic Rentals Group** advanced strongly from £6.23m to £8.71m in the six months to September 30 and the directors report that the second half has started well.

They are looking forward to a satisfactory result for the year, with an improved contribution from overseas rentals and a further recovery from the camping and leisure companies. Profits for the last full year totalled £13.7m.

Looking further ahead, the existing rental businesses are continuing to increase the number of their subscribers and, provided *that wage and cost inflation are* kept under control, they should continue to be the major contributors to profits. The retail and the camping and leisure divisions are expected to continue to improve their performance.

The acquisition of the television rental and relay interests of the BRW Group will make a small contribution to Visionhire's profits, *before exceptional items* and tax, in the last quarter of the current year, although this will be more than offset by excep*tional expenses arising as a result of the acquisition, which will be* provided for as they occur.

Further exceptional expenses and heavier than normal depreciation resulting from the present acquisition will result in the *interests acquired making only* a modest contribution to group profits before taxation in the year ending March 31, 1980. Thereafter the group will increasingly benefit from the operation of a significantly increased branch network and from higher rental income.

It is also expected that after the integration has been completed the acquisition will increase the group's cash flow. Although borrowings will increase substantially in the short term, the group's gearing should be reduced to a more normal level within two years.

Basic first half earnings are stated at 10.7p (7.4p) and adjusted for exceptional items at 10.3p (7.6p). The net interim dividend is lifted from 2p to 2.2787p, including a supplementary payment of 0.0454p due to the reduction in ACT.

Subject to the issue of the consideration shares in respect of the present acquisition being completed, the directors intend to recommend a final of 4.5681p, which represents an increase of 50 per cent over last year's 3.0454p (the aggregate of 3p and *the 0.0454p supplementary)*. The total dividend proposed would, on this basis, represent an increase of 34 per cent.

In the event of dividend controls being expanded last July 31, 1979, the directors will make application to the Treasury for permission to declare the intended dividends.

Subject to the above, the *directors also propose to recommend* a total dividend of 8.25p net for 1979-80. This would be an increase of 63 per cent on 1977-78 and 21 per cent on 1978-79.

	Half-year 1978 £000	1977 £000
Turnover	55,563	45,749
Rental—U.K.	32,929	28,675
—Overseas	5,326	4,671
Retail	3,344	2,656
Camping, leisure	12,559	12,517
Property	55	34
Miscellaneous	350	195
Trading surplus	23,313	19,984
Depreciation	12,864	11,589
Interest	1,563	1,690
Lease payments TV sets	5	309
Profit before except. items	8,881	6,385
Rental—UK	8,009	5,379
—Overseas	569	648
Retail	117	*40
Camping, leisure	120	7
Property	135	117
Misc. loss	129	*8
Holding company	70	266
Except. debits††	170	151
Net profit	7,879	5,460
Profit before tax	8,711	6,734
Tax	832	774
Minority loss	1	19
Extrord. credits	167	42
Available	[illegible]	[illegible]
Dividend	1,685	1,471
Retained	6,257	4,022

* Loss. † Profit. †† Represents integration and rationalisation costs associated with the acquisition of television rental assets. ‡ Consist of gains arising from changes in foreign currency rates £62,000 (loss [illegible]) and profit on sale of listed investments nil (£70,000).

EUROPEAN OPTIONS EXCHANGE

Series		Jan. Vol.	Jan. Last	Apr. Vol.	Apr. Last	July Vol.	July Last	Stock
ABN	F.340	8	35	—	—	—	—	F.372
ABN	F.350	—	—	1	14	—	—	..
ABN	F.390	—	—	7	9	—	—	
AKZ	F.25	1	3	—	—	—	—	F.28
AKZ	F.27.50	—	—	5	3	—	—	..
AKZ	F.30	—	—	—	—	5	3.20	..
AKZ	F.32.50	100	0.20	—	—	10	2.10	..
ARB	F.70	—	—	—	—	11	9.10	F.75.30
CSF	F.380	—	—	7	29	5	38	F.382
CSF	F.440	—	—	10	7.50	2	14.70	..
EK	$45	6	15⅞	—	—	—	—	$60⅛
EK	$60	3	2⅞	6	5⅝	—	—	
FNC	$25	—	—	2	1¾	—	—	$24½
GOB	F.140	—	—	1	15	2	17.50	F.148
GOB	F.150	—	—	3	8.70	—	—	..
GOB	F.160	—	—	10	4.50	7	7.60	
HO	F.35	—	—	12	2.70	17	4.10	F.32.90
HO	F.37.50	—	—	15	1.90	1	3	..
HO	F.40	—	—	9	1.30	10	2.20	..
HO	F.45	—	—	50	0.70	—	—	
IBM	$280	2	6	—	—	—	—	$274⅛
IBM	$300	7	⅞	—	—	—	—	
KLM	F.120	7	4.50	15	9	—	—	F.122.80
KLM	F.130	6	1.30	14	5.10	1	8	..
KLM	F.140	20	0.40	2	3.10	15	5.50	..
KLM	F.150	—	—	2	2	—	—	
KLM	F.160	—	—	—	—	15	2.70	..
KLM	F.170	—	—	10	0.50	—	—	
NN	F.108.90	1	2.30	—	—	—	—	F.108.30
NN	F.118.90	23	0.30	—	—	—	—	..
PHI	F.25	5	0.40	48	1.50	30	2	F.24.20
PHI	F.27.50	5	0.10	5	0.60	—	—	..
PHI	F.30	—	—	1	0.50	—	—	
PRD	$60	4	0½	—	—	—	—	$50⅛
PSA	F480	—	—	3	42	—	—	F.486.50
PSA	F.520	—	—	5	25.70	—	—	
RD	F.120	3	3.50	4	7.30	—	—	F.120.10
RD	F.130	—	—	—	—	2	3.60	
UNI	F.110	—	—	8	12	—	—	F.119.40
UNI	F.120	10	2.60	17	5.50	5	7	..
UNI	F.130	—	—	—	—	17	2.50	
XRX	$50	—	—	6	6⅛	—	—	$52¾
		Feb.		May		August		
BA	$60	2	12¼	—	—	—	—	$70¼
BA	$70	10	5¾	—	—	—	—	"
TOTAL VOLUME IN CONTRACTS						650		

Wall St. nervous: down 7.19

INVESTMENT DOLLAR PREMIUM
\$2.60 to £1 77% (76½%)
Effective \$1.9800 34¾% (34%)

CONCERN OVER a sharp increase in short-term interest rates and plans by President Carter to address the nation on an undisclosed topic drove Wall Street down last night.

The Dow Jones Industrial Average dipped 7.19 to 805.35, making a net loss of 6.50 on the week, while the NYSE All Common Index, at \$53.31, shed 39 cents on the day and 75 cents on the week. Declines led advances by more than a two-for-one majority, while the trading volume expanded 2.74m shares to 23.62m.

The White House said that President Carter had asked for network TV time in the evening for a brief address.

A sharp rise in short-term interest rates gave rise to speculation on Wall Street that the Federal Reserve might again raise the discount rate, now 9½ per cent. One analyst said that the Fed might raise the rate to 10 per cent as a symbolic move to foreigners, and to OPEC oil Ministers that the U.S. is determined to control inflation and support the dollar.

Iowa Beef Processors lost \$11¼ to \$37½. Pacific Holding dropped merger plans with Iowa Beef.

Dravo tumbled \$3¾ to \$30⅜. It agreed in principle to acquire Southern Industries, up \$3⅞ to \$15 bid in "over-the-counter" trading.

Warner Communications reacted \$1½ to \$47.

Columbia Pictures Industries rose \$⅞ to \$23—it conditionally backed a bid by Kirk Kerkorian to buy 1.75m of its shares, or 20 per cent.

Kennecott Copper lost ⅞ to 21½. It and Curtiss-Wright agreed on election of a joint slate of Kennecott directors to end their proxy fight. Curtiss-Wright added ⅜ to 14¼.

Simplicity Pattern rose \$1½ to \$10½ before trading was halted epnding news.

The American SE Market Value Index lost 8.91 to 149.3, making a loss of 1.86 on the week.

CANADA — Markets closed sharply down after busier trading, with the Toronto Composite Index off 5.9 to 1,283.9.

The Gold Share Index dropped 14.0 to 134.85, Oil and Gas 11.8 to 1,763.9 and Metals and Minerals 7.7 to 1,074.1. Utilities shed 1.26 to 195.77, Banks 1.12 to 309.55 and Papers 0.34 to 156.05.

Pancanadian Petroleum fell \$⅞ to \$37 — it will buy Ontario's interest in the Syncrude oil sands project.

Alberta Energy rose \$⅞ to \$19—evaluation has started on its Primrose Field and the company plans a heavy oil pilot project.

PARIS—Market recovered after an initial weakening and steadied after several days on a weakening trend.

Banks, Constructions, Hotels, Stores, Electricals and Chemicals steady. Steels firmed.

Portfolio Investments weakened slightly, remaining sectors mixed.

BRUSSELS—Mostly higher in quiet trading.

In Foreign stocks, UK, Canadian, U.S. and French issues little changed. Germans and Dutch lower. Gold Mines also little changed.

AMSTERDAM—Mixed trend.

KLM eased in otherwise firmer Shippings and Transports, led by Nedlloyd and Van Ommeren, up Fl 2.30 and Fl 3 respectively.

Insurances mixed, Banks mostly higher.

SWITZERLAND — Quietly steady, lacking new incentives.

Leading Banks narrowly mixed. Financials steady.

Interpan showed renewed weakness on expected further losses.

Industrials generally steady.

Dollar stocks generally slightly below overnight New York levels. Small losses predominated among Dutch and German stocks.

MILAN—Higher in fairly active trading. All leading Industrials firmed. Financials also firmed.

Bonds quietly steady.

GERMANY—Sharply lower on uncertainties following the Bundesbank's credit-tightening measure.

Heavy losses posted by Linde, off DM 9, M.A.N. off DM 6.50, and Degussa, off DM 5.

On Domestic Bond Market, Public Authority issues slipped 20 pfennigs. Mark Foreign Loans mixed.

AUSTRALIA — Recent rise halted abruptly with share price index—off 2.08 at 539.93—recording its first fall in past 17 days' trading.

Bridge Oil shed 10 cents to A\$1.30.

Poseidon, re-listed after an absence of two years, gained 9 cents to 73 cents.

HONG KONG — Mixed in very quiet trading.

TOKYO — Sharply lower dampened by expectations Bank of Japan may adopt a more restrictive monetary policy. Volume 390m shares.

Most shares fell on heavy profit-taking and liquidations, with Pharmaceuticals, Textiles, Foods and "big-capital" issues leading the way.

Indices

NEW YORK —DOW JONES

	Dec. 15	Dec. 14	Dec. 13	Dec. 12	Dec. 11	Dec. 8	1978 High	1978 Low	Since Compilat'n High	Since Compilat'n Low
◆Industrials	805.35	812.54	808.86	814.97	817.66	811.85	907.74 (8/9)	742.12 (28/2)	1051.70 (11/1/73)	41.22 (2/7/32)
H'meB'nds*	85.88	85.91	85.97	86.40	86.56	86.47	90.86 (4/1)	85.88 (15/12)	—	—
Transport	208.34	211.14	212.38	214.16	216.64	215.48	261.48 (8/9)	199.31 (9/1)	279.88 (7/2/69)	12.28 (8/7/32)
Utilities	99.19	99.75	100.14	100.88	101.12	101.08	110.98 (3/1)	98.35 (14/11)	163.32 (20/4/69)	10.58 (28/4/42)
Trading vol. 000's†	23,620	20,880	22,580	22,210	21,000	18,580	—	—	—	—

- Basis of index changed from Aug. 24 ◆ Day's high 815.76 low 801.80

Ind. div. yield %	Dec. 8	Dec. 1	Nov. 24	(Year ago approx
	5.97	5.97	5.83	5.63

STANDARD AND POORS

	Dec. 15	Dec. 14	Dec. 13	Dec. 12	Dec. 11	Dec. 8	1978 High	1978 Low	Since Compilat'n High	Since Compilat'n Low
‡Industrials	105.95	106.71	106.66	107.31	107.87	107.26	118.71 (12/9)	95.52 (6/3)	134.64 (11/1/73)	3.53 (30/6/32)
§Composite	96.33	96.04	96.06	96.59	97.11	96.65	106.98 (12/9)	86.90 (6/3)	125.85 (11/1/63)	4.40 (1/6/32)

	Dec. 13	Dec. 6	Nov. 29	Year ago (approx.)
Ind. div. yield %	5.14	5.05	5.23	4.39
Ind. P/E Ratio	8.64	8.77	8.73	9.05
Long Gov. Bond yield	8.84	8.74	8.75	7.88

N.Y.S.E. ALL COMMON

Dec. 15	Dec. 14	Dec. 13	Dec. 12	1978 High	1978 Low
53.51	53.70	53.72	54.05	60.38 (11/9)	48.37 (6/3)

Rises and Falls	Dec. 15	Dec. 14	Dec. 13
Issues Traded	1,912	1,907	1,913
Rises	405	566	463
Falls	1,063	884	1,002
Unchanged	444	457	448
New Highs	—	5	7
New Lows	—	79	47

	Dec. 15	Dec. 14	Dec. 13	Dec. 12	1978 High	1978 Low
MONTREAL Industrial	215.96	216.87	216.24	217.51	222.14 (11/10)	162.90 (16/2)
Combined	222.86	223.88	223.25	224.59	225.61 (12/10)	170.82 (30/1)
TORONTO Composite	1283.9	1289.8	1287.0	1291.7	1332.7 (12/10)	998.2 (30/1)
JOHANNESBURG Gold	237.0	257.9	258.7	(u)	272.0 (14/8)	186.0 (20/4)
Industrial	271.1	270.1	269.2	(u)	281.8 (1/11)	194.9 (13/3)

	Dec. 15	Previous	1978 High	1978 Low
Australia(¶)	539.93	542.01	566.79 (22/9)	411.19 (1/3)
Belgium (‖)	97.99	97.71	101.16 (8/6)	90.45 (3/6)
Denmark(**)	91.26	91.26	98.80 (14/5)	88.08 (30/10)
France (††)	76.1	76.4	85.0 (4/10)	47.5 (3/2)
Germany(‡‡)	821.20	828.1	865.8 (19/10)	759.4 (17/5)
Holland (§§)	78.9	78.4	95.1 (11/9)	76.0 (4/4)
Hong Kong (¶¶)	508.02	507.59	707.70 (4/9)	385.4 (13/4)
Italy (‖‖)	69.58	62.39	82.26 (25/9)	55.45 (10/1)
Japan (a)	448.37	452.02	462.60 (13/12)	364.04 (4/10)
Singapore(b)	350.09	350.13	414.50 (2/9)	252.0 (9/1)
Spain (d)	89.88	89.88	110.72 (9/6)	87.85 (17/3)
Sweden (e)	366.23	364.78	408.00 (4/c)	335.74 (5/1)
Switzerld (f)	285.5	285.0	323.7 (14/2)	281.6 (26/9)

Indices and base dates (all base values 100 except NYSE All Common—50 Standards and Poors—10 and Toronto 300—1,000, the last named based on 1975). † Excluding bonds. ‡ 400 Industrials § 400 Industrials, 40 Utilities, 40 Finance and 20 Transport. ¶ Sydney All Ordinary. ‖ Belgian SE 31.12.63. ** Copenhagen SE 1/1/73. †† Paris Bourse 1961. ‡‡ Commerzbank Dec. 1953. §§ Amsterdam Industrial 1970. ¶¶ Hang Seng Bank 31/7/64. ‖‖ Banca Commerciale Italiana 1972. a Tokyo New SE 4/1/68. b Straits Times 1966. c Closed. d Madrid SE 30/12/77. e Stockholm Industrial 1/1/58. f Swiss Bank Corporation. u Unavailable.

FRIDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Simplicity	475,900	10½	+1½
Archer-Daniels	320,208	12⅞	—
Gulf Oil	277,600	24⅜	−⅛
NW Airlines	253,500	28	−½
Olin	246,100	20½	+⅞
Gen. Motors	200,000	55⅞	−¼
Sears Roebuck	197,800	21¼	−⅜
Pan Am Air	175,800	6¾	+⅛
Exxon	163,100	49⅞	+⅜
Columbia Pic.	162,900	23	+⅞

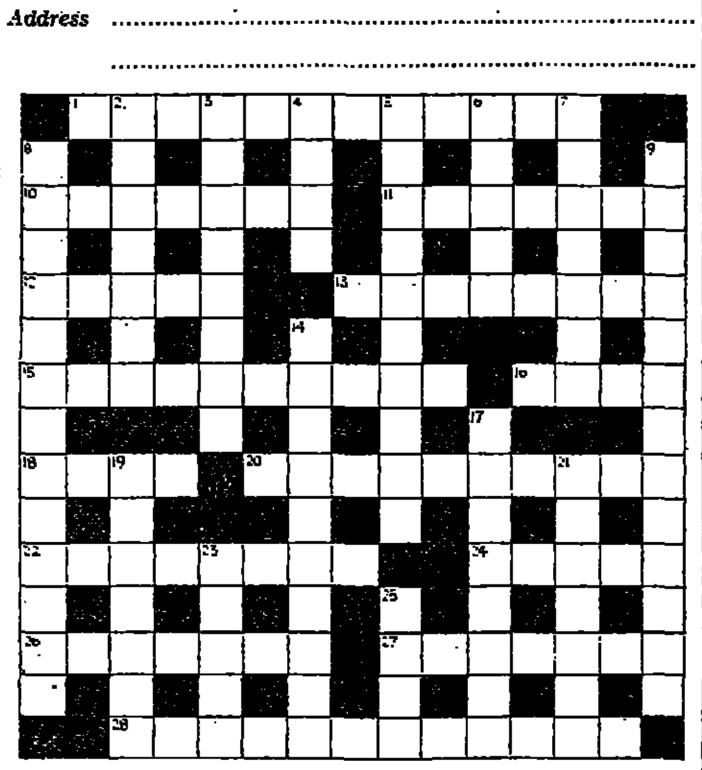
F.T. CROSSWORD PUZZLE No. 3,850

A prize of £5 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10, Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....

....



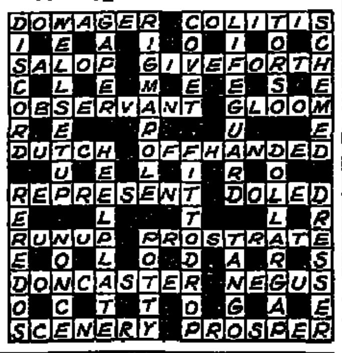
ACROSS

1 Part of motorway uncomfortable to cry on (4, 8)
10 Light up at home with sweetheart (7)
11 Severe shake-up in CID? Rats! (7)
12 Rank nature of key Scots county (5)
13 Father writing about row or border (8)
15 Fuel not affected by gossip (7, 3)
16 Dried up part of cheese regularly (4)
18 A long playing record's within range (4)
20 Become north-eastern agent for philanthropist (10)
22 Tongue-tied sensitive recorder (5-3)
24 Cut from self-starter to hooter (5)
26 A great number surrounded behaved in servile fashion (7)
27 Valve kept in poem (7)
28 Non-specialist workers directing army (7, 5)

DOWN

2 A fine beginning to face insult (7)
3 Certain to be passed on south Yorkshire river (4, 4)
4 Pay attention to masculine newsman (4)
5 Promised to have Neath captured (10)
6 Hauled and tied (5)
7 Part of rigging on desert railway (7)
8 Plant family in American state (8, 5)
9 Russian athlete who is full of beans (7, 6)
14 Cry that can be depressingly killing (4, 6)
17 Fish I catch in pram (8)
19 Temporary aspect of football (7)
21 Flew away in shed (4, 3)
23 The Spanish drink to Scots town (5)
25 Round on father having left gem (4)

Solution to Puzzle No. 3,849



SOLUTION AND WINNERS OF PUZZLE No. 3,844

Following are the winners of last Saturday's prize puzzle:

Mr. K. D. Coleman, 12 Keats Road, Stratford on Avon CV37 7JL.

Mr. A. L. Lake, Blaven, Loxfield Close, Mayfield, East Sussex.

Mr. R. Lewis Williams, 9a Hornsey Lane Gardens, Highgate, London N6 5NX.

RACING BY DOMINIC WIGAN

Top-class chasers line up for Ascot

GRAND CANYON, Night Nurse, Fort Devon, Approaching, Kybo and Cancello feature in an array of top-class talent for this afternoon's SGB meeting at Ascot, and there is no doubt that the card represents by far the best day's racing to date this season.

For many, the most intriguing race of the afternoon will be the Killiney Novices' Chase. Here, Night Nurse, rated by many alongside Grand Canyon as one of only two novice chasers capable of providing a home-trained threat to Midnight Court in March, bids for his fourth win of the campaign. The winner of his last three races, Night Nurse—sent here rather than going for a simple "touch" at Nottingham—faces his stiffest task to date over fences with Koiro Scott and Dramatist in opposition.

Night Nurse may well oblige with flying colours, but for me, a better bet is Koiro Scott in receipt of 10 lb. Nick Gaselee's ex-New Zealand chaser landed the Bath Novices' Chase strictly on merit at Cheltenham last time out, and many felt that he had the measure of Ramblix, when that up and coming winter chaser blundered away his chance.

Grand Canyon, another top-class recruit to chasing to have won his last three races, has been all the rage for the SGB chase, since the Tote opened a book on the feature race at the beginning of the week.

It is not difficult to see why. The comfortable conqueror of Prousto on his seasonal debut at Kempton, Grand Canyon then proved equally efficient in lifting Sandown's Marlow Ropes John Skeaping Hurdle before achieving a second Colonial Cup triumph in South Carolina. Far from unreasonably treated with 11 stone 1 lb, Grand Canyon could well find Fort Devon a more experienced chaser over English fences, providing his toughest opposition rather than market rival Strombolus.

In the other SGB event, the Hire Shop Hurdle, Rodman excused of his Lingfield failure by John Francome on account of the unyielding ground, will be many racegoers' choice.

Although his chance cannot be lightly dismissed, Rodman has always struck me as a rather over-rated young hurdler, and I intend opting instead for Kybo—the 13 to 2 winner a year ago.

In the surprising absence of the Gold Cup hero, Midnight Court, from the Long Walk Hurdle, I believe it may pay backers to take an each-way interest in the Ron Atkins course winner, Rushmere: while Cancello can underline his undoubted class by defying 12 stone in the Frogmore Chase.

ASCOT

12.15—Rushmere*
12.50—Koiro Scott
1.25—Kybo***
1.55—Grand Canyon
2.30—Cancello**
3.00—Firs Park

Atom men make plea to Shore

THE UNITED Kingdom Atomic Energy Authority has appealed to Mr. Peter Shore, Environment Secretary, against Northumberland County Council's rejection of its planning applications to drill bore-holes in the Cheviot hills.

SPAIN ♥

December 15	Per cent	+ or −
Asland	121	− 1
Banco Bilbao	288	—
B Atlantico (1,000)	243	− 1
Banco Central	301	—
Banco Exterior	270	+ 4
Banco General	237	—
Banco Granada (1,000)	146	—
Banco Hispano	220	—
B. Ind. Cat. (1,000)	169	—
B Ind. Mediterraneo	187	− 1
Banco Madrid	213	− 2
Banco Popular	240	—
B. Santander (250)	333	—
Banco Urquijo (1,000)	258	—
Banco Vizcaya	235	—
Banco Zaragozano	219	+ 2
Bankunion	141	—
Banus Andalucia	177	—
Babcock Wilcox	25	—
CIC	85	—
Dragados	195	—
Inmobanif	61	+ 1
E. I. Aragonesas	34	− 1
Espanola Zinc	100	—
Expl. Rio Tinto	52.75	+ 0.25
Fecsa (1,000)	67	—
Fenosa (1,000)	59	—
Gal. Preciados	47	—
Gp. Velazquez (400)	165	—
Hidrola	64	+ 1
Iberduero	66.75	− 0.75
Olarra	70	− 2
Papeleras Reunidas	40	− 1
Petroliber	112	—
Petroleos	166	+ 1.25
Sarrio Papalera	39	—
Sniace	48	+ 1
Sogefisa	127	—
Telefonica	75	—
Torras Hostench	74	− 1
Tubacex	75	− 2
Union Elec.	60	—

BRAZIL

Dec. 15	Price Cruz	+ or −	Cruz Div.	Yld. %
Acesita	0.80	−0.01	0.12	15.00
BancoDo Brazil	1.76	+0.02	0.16	9.09
Banco Itau PN	1.52		0.37	24.34
Lojas Amer. O.P.	3.00		0.20	6.66
Petrobras PP	1.89	−0.02	0.16	8.87
Pirelli OP	1.31	−0.01	0.16	12.21
Souza Cruz OP	2.12	+0.04	0.22	10.57
Unip PE	5.50	−0.10	0.25	4.54
Vale Rio Doce PP	1.08	+0.01	0.18	16.66

Turnover Cr 81.4m Volume 51.7m.
Source: Rio de Janeiro SE.

NOTES: Overseas prices exclude \$ premium. Belgian dividends are after withholding tax.

◆ DM50 denom. unless otherwise stated. ♥ Ptas. 500 denom. unless otherwise stated. ♣ Kr 100 denom. unless otherwise stated. ⊕ Frs 500 denom. unless otherwise stated. ¥ Yen 50 denom. unless otherwise stated. \$ Price at time of suspension. a Florins. b Schillings. c Cents. d Dividend after pending rights and/or scrip issue. e Per share. f Francs. g Gross div. %. h Assumed dividend after scrip and/or rights issue. k After local taxes. m % tax free. n Francs, including Unilac div. p Nom. q Share split. s Div. and yield exclude special payment. t Indicated div. u Unofficial trading. v Minority holders only. y Merger pending. * Asked. † Bid. § Traded. ‡ Seller. z Assumed. xr Ex rights. xd Ex dividend. xc Ex scrip issue. xa Ex all. ▲ Interim since increased.

NEW YORK

GERMANY ◆

PARIS

AUSTRALIA

TOKYO ¶

BRUSSELS/LUXEMBOURG

STOCKHOLM

COPENHAGEN ♣

SWITZERLAND ◆

MILAN

OSLO

VIENNA

AMSTERDAM

JOHANNESBURG

CANADA

هكذا من الأصل

INTERNATIONAL COMPANIES and FINANCE

Pripps earnings improve by 15%

By William Dullforce

STOCKHOLM — Despite an 8.5 per cent drop in beer sales since the sale of medium-strength beer was prohibited in Swedish groceries in July, Pripps, the country's biggest brewery concern, reports a 15 per cent improvement in earnings to SKr 70.2m ($16m) in the preliminary figures for the year ended September 30. Sales were ahead by SKr 246m to SKr 1.35bn ($307m) but SKr 158m of the increase came from the small Falken brewery, which Pripps took over last year. Falken turned in a loss of SKr 16.6m.

The decline in beer turnover in the last six months was offset by a 9 per cent growth in soft drink sales and by what the management describes as "the successful launching of new products and extensive savings."

Pripps proposes to pay its two owners, the state and Beijerinvest, a dividend of SKr 18m, which is SKr 8m more than they received in the previous year. The state holds 60 per cent and Beijerinvest 40 per cent of the brewery concern.

However, under a Bill presented to Parliament last month the Government recommends that its 60 per cent holding be transferred to a new state holding company, Brygginvest, which would in turn sell 9 per cent of the Pripps stock on the stock exchange for SKr 43.5m. At the same time, Beijerinvest would sell 15 per cent of the Pripps shares to its shareholders at the rate of one Pripps share for every seven Beijerinvest shares at SKr 57.50 a share.

This proceeding would leave the state company, Brygginvest, with 51 per cent of the Pripps stock while 25 per cent would remain in the hands of Beijerinvest and the rest would be traded on the stock exchange.

Kennecott agrees board changes to end feud with Curtiss-Wright

BY STEWART FLEMING

NEW YORK—Kennecott Copper, the largest U.S. copper company with sales revenues of more than $1.7bn a year, disclosed today that it has agreed to a complete restructuring of its main board in order to secure a temporary truse in its bitter feud with Curtiss-Wright, the diversified aerospace and industrial equipment manufacturer.

In May, at its annual meeting, Kennecott barely secured shareholders approval for the list of management directors it put forward for election. Curtiss-Wright, which had brought a 9.9 per cent shareholding in the larger company had sought to turn the old board out and replace it with its own nominees.

Subsequently legal challenges to the proxies voted in that election have resulted in a court ruling that in January of next year the vote should be held again. The prospect of yet another pubhc confrontation and a continuation of the trench warfare between the two companies coupled with the appointment of a new chairman for Kennecott has smoothed the way towards a two-year truce.

Kennecott said today that through a combination of resignations and "Board action" Kennecott and Curtiss-Wright had agreed upon the election of a joint list of directors of Kennecott rather than continue the current proxy battle for control of the Board.

The proposed list includes 10 directors who are currently Kennecott Board members, three new nominees who were members of the list proposed in May by Curtiss-Wright and four nominees who are "mutually agreed upon independent directors." One of the four is a member of the Curtiss-Wright Board.

The last place on the 18-man Kennecott board will be occupied by Mr. Thomas D. Barrow, who was only elected to the board at the beginning of the month after his resignation as senior vice president and a director of Exxon, the giant oil company. It aws Mr. Barrow who opened talks with Mr. Roland Berner, Curtiss-Wright chairman at the beginning of the month, in the hope of reaching a compromise agreement, that agreement is that in addition to the board restructuring, Kennecott agrees to establish a special committee of the board to "study, objectively, consistent with the best interests of the company and its stockholders, Curtiss-Wright's proposal for the divestiture of Carborundum." Kennecott paid $567m to acquire Carborundum, a leading manufacturer of abrasives, almost exactly a year ago.

It was this move which sparked off the attempt to unseat the Kennecott board, shareholders sued complaining that Kennecott was wasting its assets paying too high a price for Carborundum.

Although Curtiss-Wright had only 9.9 per cent of the Kennecott equity, its holding served as a focus around which dissatisfied Kennecott shareholders rallied at the annual meeting.

The truce now reached includes an agreement by Curtiss-Wright not to increase its holding in Kennecott above 21 per cent of the equity, and both parties will end litigation associated with the proxy battle.

Hudson's Bay offers new terms for Simpson

BY ROBERT GIBBENS

MONTREAL — The Hudson's Bay Company swung back to the offensive yesterday (Friday) in the contest for Simpsons with a new offer for the department store business and its stake in the associated Simpson-Sears store and catalogue sales office chain.

Earlier, Simpson, with Federal Government approval in principle for its proposed merger with Simpson-Sears, said its own holdings in Simpson-Sears, consisting of 30.8m class B shares, would be distributed to its own shareholders of record December 14 or on Thursday.

This amounted to a dividend and was to be paid to the National Trust yesterday (Friday) as the transfer agent for the distribution. The classification and timing of the distribution as a dividend broke Stock Exchange rules and trading in Simpsons shares was halted on Thursday.

The Bay replied swiftly, yesterday, saying it plans to pursue its fight. Its earlier counter bid was cleared by the Federal Combines Branch in Ottawa as not amounting to over-concentration in the department store industry.

Essentially the Bay's latest offer remains the same as the earlier one in cash and stock equal to about C$8.30 per Simpsons share, but the Bay is now asking Simpsons' shareholders accepting its offer to assign to the Bay the dividend received in Simpsons-Sears shares. The Bay's offer has been extended from December 19 to 22.

The basis of the Bay offer for every eight Simpsons shares is one common share and two preferred shares of the Bay or one common and one preferred share of the Bay plus C$22.50 together with assignment of the Simpsons-Sears shares to be received. Full particulars of the amended offer are being mailed December 16.

● Victor Mackie, our Ottawa correspondent adds: The announcement that the Government would allow the Simpsons bid to proceed emphasised that Simpson shareholders should not interpret the decision as an endorsement of the merits of the Simpson-Sears proposal.

It also said that while the Bay offer is not subject to review under the Foreign Investment Review Act, the Government had taken notice of it in arriving at its decision.

CGE plans extra dividend payout

By Terry Dodsworth

PARIS — Net consolidated profits of Compagnie Generale d'Electricité (CGE) the diversified French electrical and telecommunications company, will be at least as high this year as last, according to a letter to shareholders from M. Ambroise Roux, chairman of the group.

Last year's dividend level of FFr 21 a share will be maintained. In addition the company is aiming to give a special pay-out of FFr 160 as an extra dividend for the 1976 year, which fell into the period of dividend controls.

These forecasts follow the company's rights issue earlier this year which increased its capital base by 20 per cent. At that time, CGE predicted that 1978 would produce a 13 per cent increase in turnover, to about FFr 37bn ($8.5bn) and it is now forecasting that profits will reach at least FFr 390m ($90m)

Although CGE has steered clear of a further turnover forecast, it stressed that profits in the parent company are set on an undeniably favourable trend and will reach at least FFr 150m against FFr 136m in 1977. Total group consolidated profits are more difficult to predict, CGE said, but the improvement in the company's "principal element" indicates similar progression elsewhere.

Underlining these favourable trends, M. Roux argues that the company is still underestimated on the Paris Bourse although prices of its shares which stood at about FFr 200 in the middle of 1977 have almost doubled since then.

CGE argues that its underlying value lies closer to FFr 620 a share.

Jardine sells stake in Allied Food

BY ANTHONY ROWLEY

HONG KONG—Jardine Matheson and Co., has sold its indirectly-held interest in Allied Food Industries (Far East) to W. R. Grace (Far East), part of the U.S. conglomerate, and to other investors in AFI.

Jardine also announced that the Gill and Duffus group has acquired Jardine's shares in various trading companies in which the two previously had joint interests.

Allied Food Industries (Far East) is a Hong Kong-based Holding company for a group of companies producing and marketing chocolate confectionery, including Van Houten brands, in south-east Asia. At the end of last year, Jardine's interest in AFI was 15 per cent but had Jardine fully exercised conversion of loan stock it holds in AFI the holding would have risen to 27.7 per cent.

Instead, Jardine is selling its stake to W. R. Grace, to Mr. Chunag Ming Chi, who is chairman of Allied Food Industries (Far East), and to a "new group of south East Asian investors."

In a statement Jardines said the total consideration realised by this disposal will be US$8.73m, of which US$2.25m would be payable immediately and US$6.48m will be payable in instalments over the next three years. The stake in AFI is held by Jardine's now wholly-owned Singapore subsidiary, Jardine Matheson (South East Asia).

The group also said that Jardine Matheson and Co. and the Gill and Duffus group had reached agreement by which Gill and Duffus, in the interest of expanding their world-wide trading activities in sugar, had acquired Jardine's shares in their hitherto jointly-owned trading companies.

Jardines would continue as producers of sugar and Gill and Duffus their merchanting role in the context of their trading activities. No further details of the deals were given, nor of the trading companies involved.

Offer for Dictaphone

BY DAVID LASCELLES

NEW YORK — Dictaphone, the office equipment maker, has had a bid approach from an unnamed suitor, the company confirms. But no tangible offer has yet been made.

The company's shares were suspended on the New York Stock Exchange on Thursday after having risen over $2.50 in the previous 48 hours, reaching $20.25. This gives Dictaphone a stock market value of $81m.

Mr. Lawrence Tabat, chairman and chief executive officer, revealed the approach in an interview with the Wall Street Journal. But he refused to identify who had made it. He said he would shortly be calling a directors' meeting to consider it.

In the first nine months of this year, Dictaphone earned $8.9m, up from $3.4m in the same period last year. The company expects its year-end earnings to be equivalent to $2.85-90 a share up from $1.35 last year. Revenues are expected to rise from $211.6m to $240m.

Mr. Tabat said Dictaphone is not expecting a recession next year, and he believes the company could achieve higher earnings even if a mild one does develop.

Quebec Bill to take over Asbestos Corporation

BY OUR OWN CORRESPONDENT

MONTREAL — The Finance Minister, Mr. Jacques Parizeau told the National Assembly in Quebec City that the Government will shortly introduce legislation to expropriate control of Asbestos Corporation, the second largest fibre producer in the Province and Canada. The Government has not been able to reach agreement with General Dynamics of the U.S. on a price for the American group's 54.6 per cent holding in Asbestos Corporation, he said, and the only recourse was to nationalisation.

After agreement was reached with the Opposition parties, the Government introduced its legislation into the National Assembly late yesterday afternoon (Friday). It was assumed that it would reveal a mechanism for taking over the Asbestos Corporation assets.

Shortly before the Bill was introduced, Mr. Maurice Taschereau, president of Asbestos, declared in Quebec that the company's shareholders "are being pressured to turn their company over to the Government at a ridiculously low price and it does not make any sense."

The company has indicated that it would be willing to pay C$ 40 to C$ 45 per share

Increased insurance profits from Ennia

BY CHARLES BATCHELOR

AMSTERDAM — Ennia, the Dutch insurance group, reports after-tax profits higher by 21 per cent for the first nine months of 1978 with gross receipts 14 per cent higher. The company improved the result of its life insurance activities and substantially cut the loss made on non-life business.

On the basis of these results, Ennia repeats its forecast that profits per share will increase over the year as a whole, even when a further increase in the number of shares is taken into account. Ennia made Fl. 23.95 profit per share in 1977.

The nine-month figures from the company confirm the strength of the insurance sector in Holland. Earlier this month Amev reported sharp (32 per cent) growth in net profits for the first three quarters of 1978 and forecast an advance of 25 per cent in earnings for 1978 as a whole.

The 21 per cent rise in the first nine months produced after tax profit of Fl 39.7m ($19.3m). Gross receipts were Fl 1.49bn ($723m). Costs rose 6.3 per cent. Profits per ordinary share rose 5 per cent, to Fl 19.10 compared with Fl 18.25.

Good start to French options

By Our Financial Staff

EUROPEAN Options Exchange (EOE) reports an encouraging start to trading in French options. Turnover last Thursday, the first day on which options on Peugeot-Citroen, St. Gobain-Pont-a-Mousson and Thomson CSF were listed, was 45 contracts or 7 per cent of the total EOE turnover on that day.

Moulinex S.A., French manufacturer of small electrical household appliances, is to set up a plant at Virginia Beach, Virginia, next June to make electrical mixers for the U.S. market.

Doubts over Pan Am merger

WASHINGTON — National Airlines said the position it will take on the proposed merger with Pan American World Airways at a January 15 shareholders meeting has been rendered uncertain by the recent competing bid by Eastern Airlines.

Earlier, Lewis B. Maytag, chairman of National said that proxy material prepared for that meeting would tell National stockholders that it was in their interests to approve the Pan AM merger. However, Maytag later indicated in testimony during a CAB hearing yesterday that proxy material might have to be changed. A.P.-DJ.

COMMODITIES/Review of the week

Cocoa pact conference agreed

BY OUR COMMODITIES STAFF

A NEGOTIATING conference for a new international cocoa agreement is to be held in Geneva from January 29 to February 23, it was announced yesterday.

This follows approval by the International Cocoa Council meeting in London this week of a working document recommended by a preparatory committee as a basis for negotiations.

However, it is understood that importing and exporting countries remain divided on some key issues, notably producers' demands for a guaranteed minimum price.

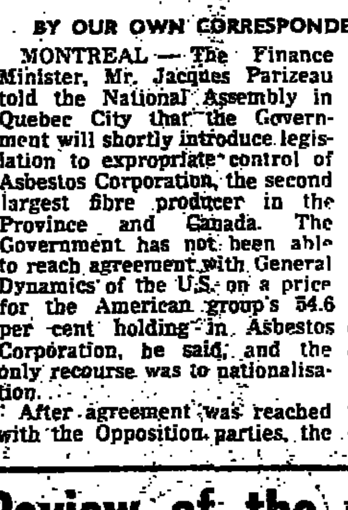
The U.S., which is not a member of the current International Cocoa Agreement, is expected to play a prominent role in the Geneva talks.

Natural rubber prices fell this week, following the failure of the Geneva conference to negotiate an international rubber agreement. One of the points of dispute was U.S. reluctance to accept producers' proposals for a minimum guaranteed price.

No. 1 R.S.S. spot rubber yesterday was 57.50p a kilo, 2.25p down on the week and the lowest price since August. The suspension of the rubber pact talks, which are due to be resumed next March, was only one of the influences depressing prices.

The main factor was disappointed selling by speculators, who now view prospects for 1979 with less optimism, and the fact that U.S. demand is now drying up following a period of stock-building against the possibility of a U.S. rubber industry strike in February when labour contracts expire.

At a meeting of the International Sugar Council this week it was decided to postpone, once again, implementation of the stock financing fund because the U.S. has yet to ratify the agreement.



However, EEC representatives are reported to have told the council that they were prepared to cut export availabilities in any given year by the same amount as any export quota cuts by members of the Agreement.

It is the bigger than expected beet crop in Europe that is mainly responsible for forecasts that production will again exceed consumption in 1978-79 despite earlier predictions that there would be a deficit this season.

F. O. Licht, sugar statistician, calculated that world stocks will rise to a record 32.03m tonnes with production at 91.9m tonnes and consumption just below 90m.

Coffee prices fluctuated wildly this week, but in the end closed almost unchanged. The market fell sharply on Wednesday following reports of dissension amongst members of the Bogota group of eight producers and selling by brokers, who were thought to be acting on behalf of producer interests.

But the following day, the same sources were reported to be buying, and producers strongly denied that the Bogota group members were not meeting their commitments to boost market prices by support buying and holding off sales.

Brazil announced unchanged export registration prices yesterday, which are well above market levels. It was claimed that they will, in fact, be higher since the Brazilian Coffee Institute is not renewing supply contracts, including "fidelity" bonuses.

Tin prices were sharply lower this week. Standard grade cash tin closed last night at £7,075 a tonne, £112.5 up on the day but £270 down on the week.

Yesterday's rally was aided by forecasts of another decline in warehouse stocks. But prices had plunged earlier, both in London and Penang, on lack of buying interest.

Lead prices rallied too yesterday on predictions of another fall in stocks. Earlier, like tin, the market had been under pressure as a result of reduced buying. Cash lead, at £426.5 a tonne, was still £9.5 down on the week despite gaining £5 yesterday.

Copper prices were firmer following rises in U.S. domestic prices and a further fall in stocks.

WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'ge on week	Year ago	1978 High	1978 Low
Metals					
Aluminium	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Free Market c.i.f.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Antimony (99.6%)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Free Mkt. (99.6%)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Copper Cash Wire Bars	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3 mths Do. Do.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Cash Cathode	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3 month Do.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Gold per oz.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Lead Cash	£426.5	-9.5	[illegible]	[illegible]	[illegible]
3 months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nickel	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Free Market (c.i.f.) lb	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Platinum per oz	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Free Market per oz	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Quicksilver (76lbs)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Silver per oz	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3 months per oz	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Tin Cash	£7,075	[illegible]	[illegible]	[illegible]	[illegible]
3 months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Tungsten (22.04 lb)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Wolfram (22.04 lb) cif	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Zinc cash	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3 months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Producers	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Grains					
Barley Home Futures	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Maize French No. 3 Yellow (American)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

	Latest prices per tonne unless stated	Ch'ge on week	Year ago	1978 High	1978 Low
Wheat					
No. 1 Red Spring	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Am. Hard Winter	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Eng. Milling (Jan.)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Spices					
Cloves	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Pepper, white	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Pepper, black	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Oils					
Coconut (Philip.)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Groundnut	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Linseed, Crude	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Palm Malayan	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Seeds					
Copra (Philippines)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Soyabean (U.S.)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Other Commodities					
Cocoa shipment	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Future March	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Coffee Future Mar.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Cotton Index	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Dess. Coconut	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Jute UABC Grade	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Rubber kilo	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sisal No. 3	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Sugar (Raw)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Tapioca	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Tea (quality) kilo	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Tea (medium)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Wool tops 64s Warp	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

† Unquoted. * Nominal. x Madagascar.

MARKET REPORTS

BASE METALS

COPPER—Firmer in fairly active active trading on the London Metal Exchange. After opening at £787, forward metal picked up to £790 following forecasts of a substantial fall in warehouse stocks. The market failed to hold this level, however, with profit-taking paring the price to £787 on the morning kerb. In the afternoon, a strong opening on Comex prompted fresh buying in London and the market rose to £791.5 before closing on the late kerb at £788.5 following trade selling. Turnover: 16,650 tonnes.

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £771, three months £789, 88.5, 88, 87, 86.5, 87. Cathodes, cash £757, 56.5, three months £774.5, 74. Kerb: Wirebares, three months £786.5, 87. Afternoon: Wirebars, three months £790, 91, 90.5, 91.5, 92. Kerb: Wirebars, three months £790.5, 91, 91.5, 91, 90.5, 90, 89.5, 89, 88.5.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	771-.5	+.75	776-.5	+7
3 months	786.5-7	—	791.5-2	+6.5
Settl'm.nt	771.5	+.5	—	.....
Cathodes				
Cash	756-.5	+1	761.5	+7
3 months	774-.5	+.5	779-81	+6.25
Settl'm.nt	756.5	+1	—	.....
U.S. Smt.	—	.....	*72	.....

TIN—Gained ground following pre-weekend covering and modest physical demand which offset the fall in the Penang market. Forward metal eased to £6,890 on the pre-market but rallied to £6,920 in the morning rings following forecasts of a decline in stocks. The price rose afresh in the afternoon as physical demand took the price up to the day's high of £6,985 before easing back to £6,965 on the late kerb. Turnover: 1,985 tonnes.

Morning: Standard, cash £7,000, three months £6,910, 15, 20, 15, 10. Kerb: Standard, three months £6,910. Afternoon: Standard, cash £7,070, three months £6,950, 60, 70, 75, 72, 75, 80, 85, 80, 75. Kerb: Standard, three months £6,955, 60, 55, 50, 55.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7000-10	+52.5	7070-80	+112.5
3 months	6900-10	+22.5	6970-5	+95
Settlem't	7010	+55	—	.....
Standard				
Cash	7000-10	+52.5	7070-80	+112.5
3 months	6900-10	+22.5	6970-5	+95
Settlem't	7010	+55	—	.....
Straits. E.	$1774	—11	—	.....
New York	—	.....		

LEAD—Very steady on expectations of a substantial decline in warehouse stocks. Forward metal initially traded at £399-£402 and held within this range or slightly higher throughout the day, touching £404 and closing on the Kerb at £402.25. Turnover: 5,700 tonnes.

Morning: Cash £422, 25, 25.5, mid-March £400.5, three months £401, £400.5, 1, £400.5, 1, 2. Kerb. Cash £426.5, three months £402, 1.5, 2. Afternoon: Cash £426, 27, three months £403, 2.5. Kerb: Cash £426.5, three months £403, 2.5, 2.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	425.5-6	+10.5	426-7	+5
3 months	401.5-2	+5	402.5-3	+5.25
Sett'ment	426	+10.5	—	.....
U.S. Spot	—	.....	*36.36	.....

ZINC—Subdued in a market lacking fresh features. Forward metal started at £358-£359, eased slightly and then firmed to touch £360 in the early afternoon. The close on the Kerb was £355.75 as the price drifted. Turnover: 2,775 tonnes.

Morning: Three months £358.5, 58, 57.5, 56, 56.5. Afternoon: Three months £357.5. Kerb: Three months £356.5, 56, 55.5.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	347-8	-.25	346.5-7.5	-1.75
3 months	357-8	-.25	356-7	-2
S'ment	348	.....	.....	.....
Prim.west	—	.....	*35.5-4.5	.....

ALUMINIUM—Barely changed with forward metal trading between £623.5 and £624 before closing on the late kerb at £623.5. Turnover: 800 tonnes.

Morning: Three months £623, 23.5. Kerb: Three months £624. Afternoon: Three months £624. Kerb: Three months £623.5.

Alumin'm	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£		£	
Spot	—	.....	—	.....
3 months	623.5-4	-2.25	623.5-4	-.75

* Cents per pound. ‡ $M per picul. † On previous unofficial close.

SILVER

Silver was fixed 0.8p an ounce lower for spot delivery in the London bullion market yesterday at 296.8p. U.S. cent equivalents of the fixing levels were: spot 583.0c, up 1.1c; three-month 600.3c, up 0.7c; six-month 612.7c, up 1.3c; and 12-month 639.0c, up 1.8c. The metal opened at 295.3-296.3p (585½-586½c) and closed at 296.1-297.1p (586½-588c).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. close	+ or —
Spot	296.80p	-0.8	297.2p	+1.1
3 months	304.60p	-1.05	305.15p	+0.8
6 months	312.0p	-1.05	—	.....
12 months	328.50p	-0.15	—	.....

LME—Turnover: 242 lots of 10,000 ozs. Morning: Three months 304.6, 4.5, 4.7, 4.3. Kerb: Three months 304.6, 4.7, 4.9, 4.7. Afternoon: Three months 305.5, 5.7, 5.8, 6, 5.9, 5.2, 5.1. Kerb: Three months 305, 4.8, 4.5.

COCOA

Cocoa prices traded within a very narrow range in very quiet and featureless conditions to end about £10 lower from the previous close, Gill and Duffus reported.

COCOA	Yesterday's Close	+ or —	Business Done
Dec.	1985.0-85.5	+17.75	2004.0-1978
March	2031.0-33.0	-5.0	2048.0-2025
May	2060.0-61.0	-10.0	2077.0-2058
July	2063.0-68.0	-11.0	2085.0-2065
Sept	2064.0-67.0	-1.5	2080.0-2060
Dec	2043.0-44.0	+11.0	2045.0-2065
March	2033.0-35.0	+14.0	2035.5-2035

Sales: 2,201 (4,511) lots of 10 tonnes.

International Cocoa Organisation (U.S. cents per pound). Daily price for Dec. 14: 179.20 (178.11). Indicator price Dec. 15: 15-day average 183.24 (183.70): 22-day average 184.05 (184.15).

COFFEE

Robustas opened higher in the morning on follow-through buying from Thursday's steady close. Then the market moved in a narrow range in good volume and roaster interest was noted in physicals at the higher levels. At the close values were £30 to £40 higher on balance, Drexel Burnham Lambert reported.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
January	1450-1452	+47.5	1455-28
March	1298-1299	+38.9	1308-1280
May	1237-1239	+31.0	1245-28
July	1203-1205	+33.5	1206-1189
September	1169-1171	+28.5	1180-65
November	1143-1148	+0.80	1150-41
January	1120-1125	+0.50	—

Sales: 5,859 (6,377) lots of 5 tonnes.

ICO Indicator prices for Dec. 13 (U.S. cents per pound): Colombian Mild Arabicas 171.50 (172.00), unwashed Arabicas 143.00 (same); other Mild Arabicas 128.67 (120.83): Robustas ICA 1976 131.00 (134.00). Robustas ICA 1968 131.00 (134.00). Daily average 130.34 (127.42).

GRAINS

LONDON FUTURES (GAFTA)—Grains opened 10-15p lower on old crop wheat and 10p lower on barley. Wheat in fairly thin volume eased on commercial and country selling to close 20-30p lower on the day. Barley values eased on commercial selling of distants to trade 20p lower. Good demand for the spot increased values to close unchanged to 25p lower. New crops saw very little trade, but remained steady and closed 15p up on wheat and 20p higher on barley, Acli reported.

M'nth	WHEAT Yesterday's close	+ or —	BARLEY Yesterday's close	+ or —
Jan.	91.15	-0.20	83.20	.....
Mar.	93.30	-0.30	85.45	-0.25
May	95.90	-0.20	87.95	-0.15
Sept.	89.40	-0.15	83.60	-0.20
Nov.	92.20	-0.15	86.50	-0.20

Business done—Wheat: Jan 91.35-91.15, March 93.60-93.30, May 96.10-95.90, Sept. nil, Nov. 92.30-92.20. Sales: 108. Barley: Jan. 83.30-83.00, March 85.80-85.40, May 88.20-87.90, Sept. nil, Nov. nil. Sales: 123.

HGCA—Location ex-farm spot prices. Feed wheat. Norfolk £87.70. Feed barley: Norfolk £80.40.

The UK monetary coefficient for the week beginning December 18, will remain unchanged.

IMPORTED—Wheat: CWRS No. 1 13½ per cent Dec. £96.00 Tilbury: U.S. Dark Northern Spring No. 2 14 per cent Dec £88.50, Jan. £89.75, Feb. £91.00 transhipment East Coast: U.S. Hard Winter 13½ per cent Dec. £87, Jan. £87.25, Feb. £87.50 transhipment East Coast; EEC unquoted. Maize: U.S./French Dec. £105.00, Jan. £106.00 East Coast; South African White Jan. £67.50; South African Yellow Jan. £67.50. Barley: English feed fob Feb. £86.50 quoted East Coast.

EEC IMPORT LEVIES—Premiums effective for Saturday, December 16 (in order current levy plus Jan., Feb and March premiums, with previous in brackets). All in units of account per tonne.

Common wheat—80.33, 1.40, 1.40, nil (79.70, 1.08, 1.08, nil). Durum wheat—118.07, nils (117.13, nils). Rye—83.83, nils (83.83, nils). Barley—86.68, nils (86.68, nils). Oats—79.35, 74.53, 74.53, 70.50 (79.35, 75.09, 75.09, nil). Maize (other than hybrid for seeding) 78.26, nils (78.26, nils). Buckwheat—All nils. Millet—63.62, nils, 0.63 (63.62, nils). Grain sorghum—77.14, nils (77.14, nils). Flour levies: Wheat or mixed wheat and rye flour—123.81 (122.92). Rye flour—128.70 (128.70).

RUBBER

SLIGHTLY STEADIER opening on the London physical market. Quiet conditions throughout the day, closing uncertain. Lewis and Peat reported the Malaysian godown price was 235 (233) cents a kilo (buyer, January).

No. 1 R.S.S.	Yesterday's Close	Previous Close	Business Done
Jan.	57.70-57.85	57.70-57.75	57.60-57.30
Feb.	58.60-58.75	58.50-58.55	—
Jan-Mar	58.45-58.60	58.45-58.50	58.55-58.00
Apr-Jne	61.05-61.10	60.85-60.90	61.15-60.75
Jy-Sept	63.30-63.35	--	63.25-62.90
Oct-Dec	65.55-65.60	65.30-65.35	65.70-65.35
Jan-Mar	67.85-67.90	67.67-67.70	67.75
Apr-Jne	70.25-70.30	69.90-70.00	70.25
Jy-Sept	72.50-72.60	72.30-72.55	72.55-72.50

Sales: 63 (11) lots of 5 tonnes, 217 (413) lots of 15 tonnes.

Physical closing prices (buyers) were Spot 57.50p (57.25p). Jan. 58.50p (58.25p): Feb. 59.25p (59p).

SUGAR

LONDON DAILY PRICE (raw sugar) £102.00 (same) a tonne cif for Nov-Dec. shipment. White sugar daily price was fixed at £102.00 (same)

Holiday doldrums hit the market and fluctuations were contained within a narrow range in light trading, C. Czarnikow reported.

Sugar Pref. Comm. Con.	Yesterday's Close	Previous Close	Business Done
	£ per tonne		
March	109.30-09.40	109.18-09.20	10.00-09.25
May	112.40-12.50	112.35-12.40	13.25-12.25
Aug.	116.50-16.55	116.25-16.30	17.10-16.25
Oct.	119.50-19.81	119.30-19.40	20.15-20.00
Dec.	122.10-22.45	122.00-22.25	22.75-22.50
March	126.50-26.75	126.50-26.75	27.25-26.25
May	129.00-30.00	129.00-30.25	—

Sales: 821 (1,123) lots of 50 tonnes.

Tate and Lyle ex-refinery price for granulated basis white sugar was £264.85 (same) a tonne for home trade and £173.00 (same) for export.

International Sugar Agreement (U.S. cents per pound) fob and stowed Caribbean port. Prices for Dec. 14: Daily 8.16 (same): 15-day average 7.91 (7.83).

WHITE SUGAR—Close (in order buyer, seller, business, sales). Feb. 104.25, 104.75, —; April 108.50, 108.65, 108.65, 5; July 113.75, 114.00; Sept. 119.00, 119.50; Nov 124.50, 125.50; Feb 128.00, 129.55; April 130.00, 133.50. Sales: 5.

SOYABEAN MEAL

	Yesterday Close	+ or —	Business Done
	£ per tonne		
December	122.50-25.0	+0.35	—
February	127.05-27.2	+0.70	27.10-26.20
April	126.50-28.5	+0.65	26.90-26.20
June	124.00-25.0	+0.50	—
August	124.00-26.0	+0.85	--
October	124.90-26.0	+0.40	—
December	124.00-26.0	+1.40	--

Sales: 54 (51).

WOOL FUTURES

LONDON—The market was dull and featureless, reported Bache

(Pence per kilo)

Australian Greasy Wool	Yesterday's Close	+ or —	Business Done
December	217.0-25.0	.....	—
March	218.0-25.0	.....	—
May	224.0-35.0	.....	—
July	231.0-40.0	.....	—
October	234.0-40.0	.....	—
December	236.0-42.0	.....	—
March	236.0-44.0	.....	—
May	239.0-50.0	.....	—

SYDNEY GREASY—Close (in order buyer, seller, business, sales) Micron contract: Dec. 344.1, 344.5, 344.5-343.5, 28; March 352.0, 352.6, 352.1-352.0, 15; May 359.0, 360.0, 359.5-359.0, 2; July 361.5, 362.0, nil; Oct. 363.5, 365.0, nil; Dec. 367.0, 368.0, 367.2-366.5, 18; March 370.5, 370.8, 369.0-369.0, 10; May 370.0, 372.0, nil; Total sales: 73.

NEW ZEALAND CROSSBREDS: Close (in order, buyer, seller) Dec. 184.0, 90.0; March 183.0, 85.0; May 185.0, 86.0; July 187.0, 90.0; Oct. 190.0, 93.0; Dec. 192.0, 97.0; March 193.0, 98.0; May 193.0, 98.0. Sales: nil.

Sales: Nil (same).

MEAT/VEGETABLES

COVENT GARDEN (Prices in sterling per package except where stated): Imported Produce: Lemons—Italian: 120s new crop 4.80-5.50; Greek: 4.80-5.50; Cyprus: Trays 4.80-5.20: Boxes 80/180s 4.00-6.25; Turkish: 10 kilos 2.40-2.60; Spanish: Trays 2.00-2.20. Oranges—Spanish: Navel/Navelinas 4.00-4.70; S. African: Valencia Late 1.50-2.00; Greek: Navels 20 kilos 4.20-4.30. Clementines—Cyprus: 10 kilos 3.50-4.00: Spanish: 3.20-4.40; Moroccan: 3.20-4.40. Satsumas—Spanish. Trays 2.60-3.30.

English Produce: Potatoes—Per 25 kilos 1.40-2.00. Lettuce—Per round 1.40-1.50. Mushrooms—Per pound 0.50-0.55. Apples—Per pound Bramley 0.05-0.09, Cox's Orange Pippin 0.05-0.14, Worcester Pearmain 0.04-0.05, Russets 0.05-0.08, Spartan 0.06-0.08. Pears—Per pound Conference 0.08-0.12, Comice 0.14-0.18. Cabbages—Per crate 0.90. Celery—Per head 0.10-1.12. Cauliflowers—Per 12s Kent 2.00-4.00. Beetroot—Per 28-lb [illegible]. Carrots—Per 28-lb [illegible]. Capsicums—Per pound 0.30. Onions—[illegible]. Swedes—[illegible]. Sprouts—Per 28-lb [illegible]. Parsnips—Per 28-lb 0.90-1.00. Turnips—[illegible]. Rhubarb—Per pound 0.05-0.06. [illegible] 0.30.

INDICES

FINANCIAL TIMES

Dec. 15	Dec. 14	Month ago	Year ago
257.75	255.39	259.24	239.82

(Base: July 1, 1952=100)

REUTERS

Dec. 15	Dec. 14	Month ago	Year ago
1506.0	1506.0	1509.9	1421.4

(Base: September 18, 1931=100)

DOW JONES

Dow Jones	Dec. 15	Dec. 14	Month ago	Year ago
Spot	385.17	383.92	395.04	353.88
Futures	381.70	380.54	389.82	354.37

(Average 1924-25-26=100)

MOODY'S

Moody's	Dec. 15	Dec. 14	Month ago	Year ago
Sple Commty	996.6	972.8	91.87	876.8

(December 31, 1931=100)

U.S. Markets

Coffee and copper higher

NEW YORK, Dec. 15.

PRECIOUS metals finished barely higher following the steadiness of the dollar. Copper closed higher on pre-weekend booksquaring and local short-covering. Coffee closed higher on producer intervention and short-covering. Sugar was slightly higher on speculative buying, Bache reports.

Cocoa—Dec. 175.90 (176.10), March 175.50 (175.85), May 175.40, July 175.20, Sept. 173.50, Dec. 170.00, March 167.80. Sales: 381.

Coffee—"C" Contract: Dec. 139.50 (134.50), March 127.25-127.40 (124.87), May 124.75-125.00, July 124.00, Sept. 124.00, Dec 123.00, March 120.25-12.300, May 112.00-122.00. Sales: 1,145.

Copper—Dec. 67.85 (67.25), Jan. 68.00 (67.60), Feb. 68.80, March 69.55, May 70.80, July 71.90, Sept. 72.90, Dec. 74.20, Jan. 74.60, March 75.40, May 76.20, July 77.00, Sept. 77.80. Sales: 5,600.

Cotton—No. 2. March 67.85-67.95 (68.41), May 69.85-69.90 (70.30), July 70.65-70.70, Oct. 66.55, Dec. 64.75, March 65.50-65.80, May 66.00-66.10. Sales: 2,350 bales.

*Gold—Dec. 205.30 (204.30), Jan. 206.40 (205.40), Feb. 208.10, April 211.90, June 215.70, Aug. 219.50, Oct. 223.30, Dec. 227.20, Feb. 231.10, April 235.00, June 238.90, Aug. 242.80, Oct. 246.80. Sales: 21,000 lots.

†Lard—Chicago loose 23.25 (23.00). NY prime steam not available (24.50 nom.).

‡‡Maize—Dec. 218¼ (218¾), March 231½-231¾ (231), May 239¾-240, July 245¾-245½, Sept. 246½, Dec. 251.

§Platinum — Jan. 337.00-338.00 (339.80), April 339.80-340.50 (342.10), July 341.90, Oct 344.10-344.30, Jan. 346.00-346.80, April 349.00-349.20 shed, July 351.40-351.60 shed. Sales, 1,457.

*Silver—Dec. 587.60 (586.80), Jan. 589.80 (589.00), Feb 592.60, March 596.50, May 603.80, July 612.40, Sept. 621.10, Dec. 634.60, Jan. 639.40, March 648.90, May 658.40, July 668.00, Sept. 677.70. Handy and Harman bullion: N.Y. 588.00 (584.90).

Soyabeans—Jan. 690-689 (685¼), March 703-701½ (697), May 709-708, July 710-710½, Aug. 703, Sept. 679, Nov. 666½-665½, Jan. 674.

||Soyabean Meal — Dec. 194.50 (192.40), Jan. 194.00-193.80 (192.40), March 192.70-192.20, May 190.00, July 189.00-189.20, Aug 188.20, Sept 186.50-187.00, Oct. 183.50, Dec. 182.50, Jan. 182.00-182.50.

Soyabean Oil — Dec. 25.05-25.00 (24.67), Jan. 25.00-25.04 (24.72), March 25.00-25.10, May 25.00-24.95, July 25.00-24.90, Aug. 24.75-24.85, Sept. 24.30, Oct. 24.00, Dec. 23.80, Jan. 23.65-23.75.

Sugar—No. 11: [illegible]

Tin—[illegible]

Wheat—Dec. 358½-361 (348½), March 343½-343 (339), May 334½-334, July 321, Sept. 325, Dec. 334½.

WINNIPEG, Dec. 15. ††Rye—Dec. 96.00 (95.60 bid), May 102.50 (102.60), July 103.70 bid, Oct. 100.90 bid.

††Oats—Dec. 87.70 bid (86.70 bid), March 82.00 asked (81.00 asked), May 79.30 bid, July 78.90 bid, Oct. 78.60 bid.

††Barley—Dec. 73.80 bid (73.80 bid), March 80.00 asked (78.00), May 75.50 asked, July 77.00 asked, Oct. 77.00.

§§Flaxseed—Dec. 272.00 (270.00 bid), May 282.00 bid (281.50), July 282.10 bid, Oct. 280.00 bid.

††Wheat—SCWRS 13.5 per cent protein content cif St. Lawrence 185.25 (184.95).

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce—100-ounce lots. † Chicago loose $s per 100 lbs—Dept. of Ag. prices previous day. Prime steam fob NY bulk tank cars. ‡ Cents per 56-lb bushel ex-warehouse, 5,000-bushel lots. § $s per troy ounce for 50-oz units of 99.9 per cent purity delivered NY. ¶ Cents per troy ounce ex-warehouse. || New "B" contract in $s a short ton for bulk lots of 100 short tons delivered fob cars Chicago, Toledo, St. Louis and Alton. ** Cents per 60-lb bushel in store. †† $s per tonne. ‡‡ Cents per 24-lb bushel. §§ Cents per 56-lb bushel ex-warehouse.

CHRISTMAS PRESENTS

PRESENT GIVING, I always maintain, is an art and finding just the right present for the right person requires not just money but a willingness to spend time thinking and looking. On this page I have shown some of the best of the year's presents but inevitably some of the best presents cannot be illustrated at all. Men are notoriously difficult to please. A spot check round the office revealed that one man did not want "anything to do with pullovers, shirts, ties, gadgets like calculators and their ilk. I would rather," he went on, "have 10 paperbacks than any of these. The one present I would really like is expensive books of the sort I would not buy myself, particularly art books."

One of his colleagues on the other hand wanted clothes — jumpers, belts, jackets and, above all, "a real tank watch—none of those fake Cartiers." The editor of the Saturday paper wants a new watch but he is very particular as to the make: "a Seiko quartz analogue watch but it must have Roman numerals."

The answer is, obviously, know your man.

I often think that very beautiful everday objects make very good presents. For instance socks alone are boring but what about soft, pure silk socks, wonderful for evening wear, in black, navy or brown? They look and feel very, very expensive and at £5 a pair are the kind of luxury most of us can afford to give the man we love. Peter Hoyle of 56 South Molton Street, London W1 sells them and will post for 20p p and p extra.

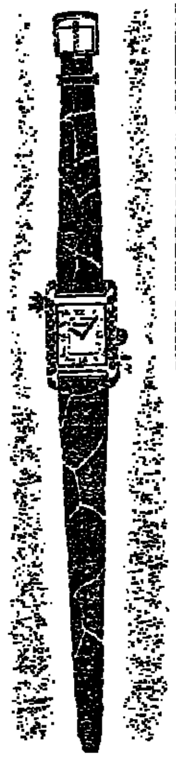
Pierre de Monet of 65-70 Fulham Road and Beauchamp Place sells a most beautiful walking stick. Not usually a glamorous item, this one is of sturdy hand-polished oak, with a proper solid brass top and a firm rubber base. It comes from America where it is recommended not only for those who are in need of a walking stick but as an exercise aid (a leaflet explains what to do with it) and a good defence in case of muggers. £19.00 (can be posted for £1.50).

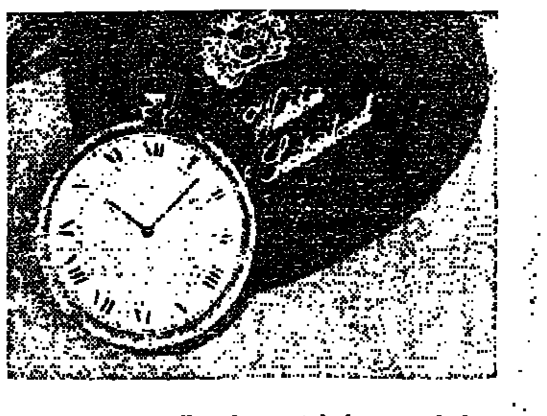
For young teenagers Cucina of 8, Englands Lane, NW3, has a giant canvas shoe which is actually a carry-all. Made of beige, red, white and blue canvas, with real laces, it has a shoulder-strap for easy carrying, measures about 18 in overall and is great fun. £3.50 (p+p 30p).

If the man in your life travels a great deal a battery clock telling the time all over the world is immensely useful. On a recent trip to Hong Kong I found there were only about two hours at either end of the day when it could conceivably be useful to telephone home—businessmen need to know when offices back home or in other countries are functioning and this particular clock tells British and world time simultaneously. You set the clock once by local time (if you take it abroad you obviously have to reset it by that local time) and then all other time zones are correct. But remember it weighs 2lb and measures 7¼in x 9¼in. £29.50 (95p p+p) from Suncell Ltd., Royal House, Datchet Road, Windsor, Berks.

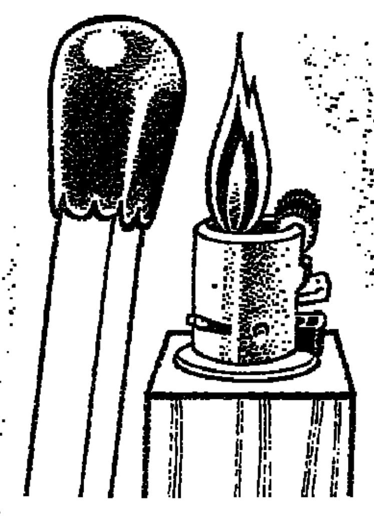
Finally, for readers for whom the broadcast of the Festival of Nine Lessons and Carols from King's College Chapel on Christmas Eve is an integral part of Christmas it is now possible to buy a 32 page booklet with the order of service and the lessons and carols printed in full. At 50p per copy (inclusive of p+p) they can be ordered from the Rev M. S. Till, King's College, Cambridge.

LUCIA VAN DER POST

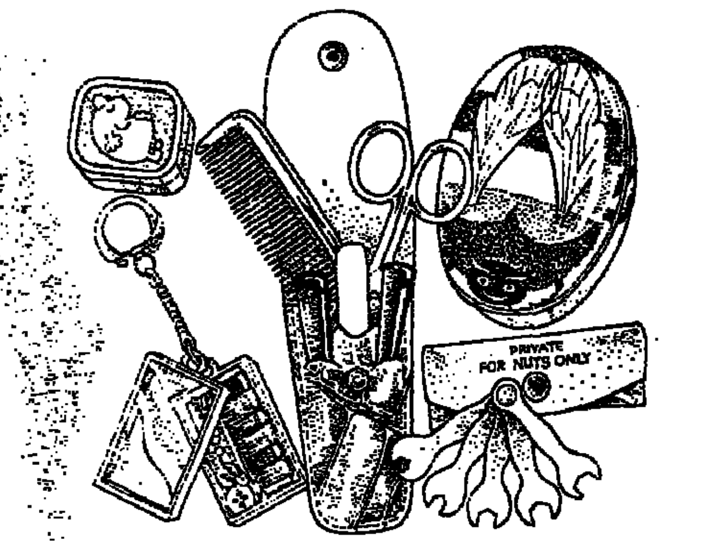




Choosing a really nice watch is one of the most difficult things in the world. Personally, I'm keen on antique old gold ones (and, yes, they do work if you find a good restorer) but modern ones are more generally available. Harrods has a marvellous selection of evening watches, all decorated with the fashionable, ubiquitous diamanté, and looking worth much more than the £50 the one sketched left costs. Above, is an extremely elegant pocket watch. It is gold-plated with roman dial and, being quartz operated it is accurate to within two seconds per year. £69.00 from Watches of Switzerland.



The fun present of the year—a huge 18-in long giant matchstick, made of wood. When you remove the striker head you discover a lighter (which is refillable). It is widely available, in particular at £3.69 (p and p 36p) from Cucina, 8 Englands Lane, London NW3, or from Harrods of Knightsbridge.



Every Christmas I write about Peter Knight who has shops in Beaconsfield and Esher (just write to him as Peter Knight, Beaconsfield or Esher and that is enough) because I find he is one of the best sources for inexpensive but original presents. On this page are just some of his suggestions for this year.

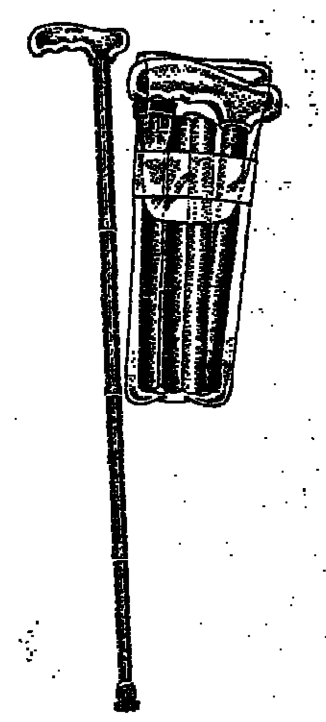
Above: tiny box, one of a whole selection of tiny boxes, all charming, all ideal for stocking fillers. 1½in by 1¾in, this is a Mr. Men tin and is only 25p. P and p is 15p each.

Very useful tiny transparent plastic box holding six different coloured cottons, a needle, two buttons, a tape measure, two small safety pins: all attached to a key-ring. 40p (p and p 15p).

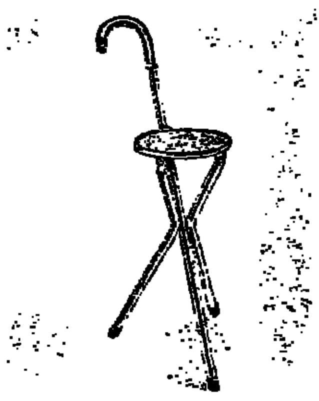
Another kit very useful for travellers, a manicure set containing nail scissors, comb, nail file, etc. £2.50 (p and p 25p).

Lovely oval tin, painted with dramatic wasp on the front and back, 3½in at longest point, 50p (p and p 15p).

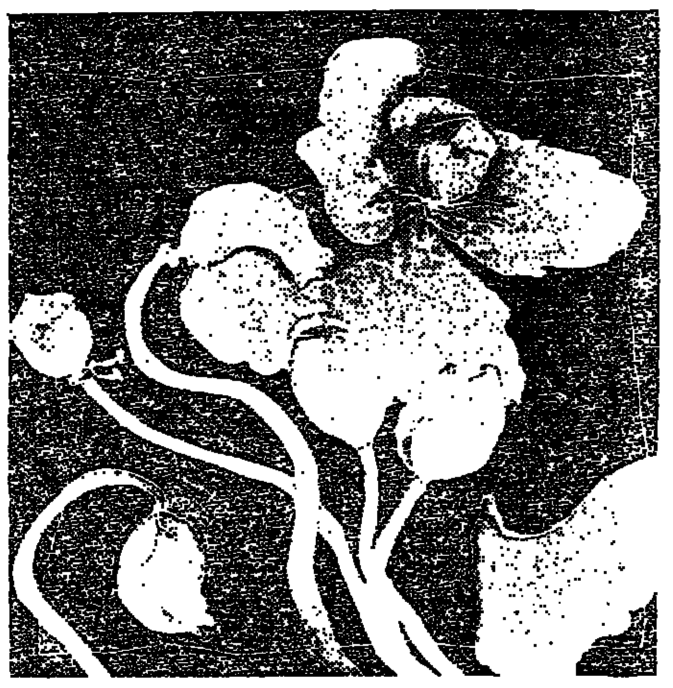
Tiny little set (case measures only 3½in long) of five different sized miniature spanners. 86p (p and p 12p).



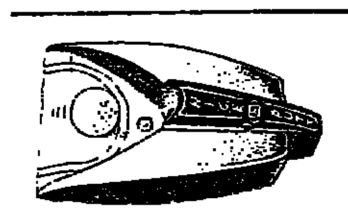
Above, an amazing, magic folding walking stick. When packed in its little plastic holder it measures 8¼ ins. by 4½ ins. but when unpacked it immediately springs to its full height of 36 ins. £10.60 (p+p 60p).



Left, from the General Trading Company, Sloane Street, London SW1, a more comfortable version of the traditional shooting stick, is just the thing for those who like attending outdoor sporting events. It's light to carry because its hollow legs are of aluminium, the seat is 8 ins across and the whole is 34 ins. tall. £16.25 (p+p £1).

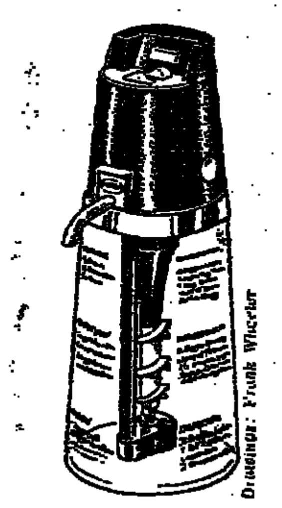


Anne Sicher produces the most beautiful hand-painted silk scarves. They are no more expensive than some of the very chic names in scarves but they are infinitely more individual and more desirable. There are roughly two sizes. 3 feet by 3 feet or 45 inches by 45 inches and prices vary from £30 to £50—the one photographed here (left) is £35.00. Because each scarf is unique we cannot, of course, guarantee that this particular one will still be in the Victoria and Albert Museum in the Brompton Road when you get there. However, scarves can be ordered directly from Anne Sicher herself at the Noah's Ark Studio, Abbey Place, Mousehole, Cornwall. (Tel. 073 673686.) She has a few left so be quick if you want one directly from her. Remember the V and A craft shop is open every day except Fridays. On Sundays it is open from 2.30 to 5.30 (but it will not be open the Sunday immediately preceding Christmas).



If your man is a golfer and fancies improving his putting in the privacy of his home, Harrods sporting department is selling a little device called Nice Putt. It needs a battery (remember to buy one) because when the golf ball is hit on to the right spot it is automatically shot back to the putter. How much it improves the putting I can't be sure but it looks a lot of fun. £7.00 (p and p £1.35).

I have never quite been able to understand the mania for bar gadgets myself (as far as I'm concerned a nice cooling glass of champagne is so much simpler!) but there's no doubt about it, some men seem hooked on them. As cocktails are now very much back in fashion and most of the current generation doesn't know much about mixing them, this battery-operated cocktail mixer (which has plenty of recipes printed on its plastic outer cover) could lead to more interesting drinks than straight whisky and water. The Drink O Matic, as it's called, is £7.30 (p+p £1.20) from Peter Knight of Esher or Beaconsfield.



Drawings: Frank Wheeler

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BOOKS

Pen-pushers

By PETER QUENNELL

Authors by Profession: Volume One by Victor Bonham-Carter. The Society of Authors, £5.95. 252 pages

There are some occasions from which, as Cyril Connolly said, we should like to be driven away in a hearse; and among them is the hot and crowded party where the professional author finds himself surrounded by occasional readers, one of whom, an earnest middle-aged lady, feels that she must ask him questions. Having begged him to repeat his name and admitted, with an apologetic smile, that she's afraid she's never heard of him, she proceeds to inquire what kind of books he writes, and then exactly *how* he writes—after dinner or before breakfast, standing up or sitting down? Does he get his ideas out of other books, or rely exclusively on inspiration?

Authorship remains a faintly mysterious craft for the public as a whole, and Mr. Victor Bonham-Carter's *Authors by Profession* will provide the General Reader with *some* valuable enlightenment. Here are ten chapters, the first describing "the evolution of authorship as a business" between 1500 and 1800, its successors devoted to the methods and achievements of individual British writers from 1800 until World War I. Bonham-Carter is particularly concerned with the financial aspect of his subject.

George Eliot's earliest book we discover, for instance, her translation of Friedrich Strauss's *Life of Jesus*, which was published in 1846, ran to some 1,500 pages and kept her busy two whole years, earned her only £20. But by 1879 the global success of her masterpiece *Middlemarch* had brought her about £9,000, which represented a sale of 30,000 copies; and in 1862 she had already been offered £10,000 for the serial rights of her Florentine novel *Romola*, an advance that she herself reduced, when her artistic conscience forbade her to chop up the narrative into 16 fairly brief instalments.

The great woman, her biographer points out, was "businesslike but not rapacious," and the same could be said of Anthony Trollope, whose yearly income during the 1860s averaged about £4,500, in those days an agreeably substantial reward. To earn it, he followed a strict routine. Few men, he claimed in his memoirs, had ever lived a fuller life:

> And I attribute the power of doing this altogether to the virtue of early hours. It was my practice to be at my table every morning at 5.30 am. . . . All those . . . who have lived as literary men—working daily as literary labourers—will agree with me that three hours a day will produce as much as a man ought to write. . . . It had become my custom . . . to write with my watch before me, and to require from myself 250 words every quarter of an hour.

Besides earning him the income he required, *such a* routine evidently suited his peculiar gifts. Trollope's greatest strength, Henry James declared, was his "keen appreciation of the usual"; and he himself admitted that he "did not care for the stars," and preferred to chronicle the doings and feelings of ordinary men and women. But, although he did not exalt his personages or, like Dickens, fall in love with his heroines, there seems no doubt that he cherished his own work; and one is shocked and surprised to learn that, having overheard at his favourite club, the Athenaeum, the conversation of two clergymen opposed to his habit of re-introducing a character for example, Mrs. Proudie, he

C. P. Snow is away

joined them, disclosed his identity and promised he would mend his ways. "'As to Mrs. Proudie,' I said, 'I will go home and kill her before the week is over.' And so I did."

The mid-19th century, of course, was the English novel's Golden Age; and during the same period progressive women writers first established their authority. It has been suggested that women at the time made up a fifth of the literary population. Apart from brilliant imaginative novelists, George Eliot, Mrs. Gaskell and the meteoric Brontë sisters, there were female economists and social prophets; and among the latter none was more conspicuous than Carlyle's good friend Harriet Martineau, whose *Illustrations of Political Economy, Poor Law and Paupers Illustrated* and *Illustrations of*

Trollope by Spy: "at my table every morning at 5.30 am"

Taxation won her European fame. Homely, invalidish, embarrassingly deaf, she had an indomitable spirit and, during her early search for a publisher, had daily trudged around London, collapsing every night from sheer fatigue. By 1834, however, she could afford to visit the United States and in 1845 was sufficiently prosperous to *build a pleasant country house* where, still active and immensely industrious, she spent her profitable latter years. Her literary earnings, she then calculated, had amounted to "about £10,000."

They might have been more, she thought, "if an international copyright law had secured to me the proceeds of my works in foreign countries"; and one of the problems of authorship that Mr. Bonham-Carter describes are the legal injustices a writer faces, anomalies against which the modern Society of Authors, founded by the Victorian novelist Sir Walter Besant, is still conducting a vigorous campaign. On these and other subjects Mr. Bonham-Carter throws much interesting light.

His book is compact and well written; and, having read it, even the surliest taxman and the most unsympathetic bank manager should view the literary profession with increased respect.

Forceps through the ages

By DR. DAVID CARRICK

Antique Medical Instruments by Elisabeth Bennion. Philip Wilson Publishers, £28.00. 354 pages

For many years, the collecting of antique medical instruments and devices has been largely the business of medical museums or merely a small part of general *displays depicting particular eras* (such as Roman Britain) in public museums.

In recent times, however, individuals have shown an increasing interest in the subject. Unlike philatelists or numismatists, however, for whom standard reference books have been available for many decades, collectors of instruments and other devices, directly or indirectly connected with medical practice, have very little guidance. Even antique dealers have been forced to seek advice from a handful of specialist sources for the purpose of identifying, let alone dating, these engines of healing.

The gap has been more than filled by this extensive and comprehensive work. Covering a period from the Middle Ages to 1870, when Lister began the era of aseptic surgery, this dictionary is lavishly illustrated with 399 pictures, 19 being in colour. In addition, two chapters are devoted to allied arts such as veterinary practice and dentistry, and five more to articles closely associated with medicine, the sick-room and hospital.

Useful information, such as a Directory of Surgical Instrument Makers; an invaluable glossary of terms, and a chronological chart of surgeons from 570 to 1857, is included.

But the work is far more than a mere dictionary or catalogue, for it contains information concerning social conditions of the *various periods covered*, as well as shedding new light on the history of medicine.

Miss Bennion has a most attractive style and sense of humour, so that a subject which could be merely a grisly record of the unavoidable brutality forced through ignorance by the doctors on their unhappy victims, is as entertaining as it is illuminating. For example, whereas most people know that King Charles II was said to have apologised for his "unconscionable time a'dying," few realise the extent of his sufferings at the hands of his doctors.

The author suggests, indeed, that his death might well have been the result of the doctors

> "who worked on him night and day, seldom fewer than four at a time, for three days. During that time," she continues, "they let blood, then let more blood, and then had pans of hot coal placed on his body to bring him round again. They gave him laxatives and emetics; they let blood yet again at regular intervals; they put burning plasters on him to raise blisters; gave him sneezing powders and made lots of little cuts on various parts of his body . . . As he grew weaker they dosed him with quinine, and finally, bled him again."

Such anecdotes, along with illustrations of some fearsome instruments, make one less dissatisfied with the NHS! However, enjoyable as the text may be, the book is undoubtedly of unique value and will indubitably stimulate many to start collecting in this interesting field, as well as being a *vade mecum* to those already interested.

Camera angles

By GLYN GENIN

Long ago, when newspaper journalists were called reporters, the image of the Fleet Street photographer was distinctly seedy. A scruffy little man with dandruff on the collar of his strap-marked mac', clutching a half-plate "Press" camera in his nicotine-stained hands. He lived on a diet of grease, chips and Irish whiskey, only taking a picture when told to by his reporter (referred to as "guv"). He'd never, ever set up a picture on his own initiative.

I've never believed this particular caricature — but opinions differ. There is a story, possibly true, about a smart Sunday supplement's cover story on the great houses of Britain. When the writer and photographer were due at one stately pile it was decided that the journalist would join the aristocratic owner and *his family for lunch*. But what about the photographer chappie? Arrangements were made for beer and sandwiches at the pub in the village. When the supplement's team arrived the photographer turned out to be not unconnected with the Royal Family—collapse of domestic arrangements.

Decent salaries, the odd baronet or peer who has tried his hand, and the blurring of dividing-lines between editorial photography and the "posher" advertising and fashion fields may have done much to upgrade the news photographer's image. Most Fleet Street men, though, are more likely to return home to the wife and kids on Southern *Electric—after an eight-hour* shift in Downing Street—than be leaping from a helicopter at some remote battlefront, a trio of black Nikons round the neck or jetting off to the West Indies with a bevy of models for a quick session for page three. A brief look through **Flash, Bang, Wallop!** by Kent Gavin with Bill Hagerty (Westbridge Books, £4.95 128 pages) modestly subtitled "The Intimate Experiences of Fleet Street's Top Press Photographer" might suggest that Mr. Gavin's job is one endless, globe-trotting party. A life-style owing more to Hollywood than the Daily Mirror building. But this would be unfair, for the text can stand closer examination and Kent Gavin relates his successes — and failures — in an engaging and amusing way.

Mr. Gavin clearly excels at the contrived picture—Miss World made up as Queen Victoria, choir boys at Evensong — one blowing bubblegum; the Queen's look-alike taking the weight off her feet on the pavement outside Buckingham Palace, resplendent in tiara and garter sash — the Mirror's syndication salesmen must love him.

But sometimes his gimmicks don't quite come off — Harold Wilson photographed on Westminster Bridge with a fisheye lens appears gross and unnecessary. Mr. Gavin has travelled widely for the Mirror on news assignments—and his pictures of the Canadian seal hunt and the Aden emergency in particular have been used to great effect. Incidentally, the book is crammed full of glamour shots, at which Gavin also excels—which at this price for a paperback is only fair and reasonable.

Pictures on a Page by Harold Evans (Heinemann, £9.95, 332 pages) is a fascinating work. The last of a five-volume series on editing and design it should be required reading for anyone involved in the craft of photography or in producing newspapers. Mr. Evans has used upwards of 500 photographs and drawings to illustrate the book and works painstakingly through every aspect of the use of photographs in illustration. It is a superb textbook, and appendices on picture sources and an extensive bibliography add to its value.

John Hedgecoe is Professor of Photography at the Royal College of Art and as such can be expected to know a thing or two about photographic education. **The Art of Colour Photography** (Mitchell Beazley, £13.95, 304 pages) is not cheap, but it is beautifully produced and lavishly illustrated—rather like an expensive cookery book. Hedgecoe, almost in a recipe and method style, has managed to explain complex chemistry, and convey and explain the experience and insight of a top photographer in terms that should be understood by any amateur.

The same goes for **The Step by Step Guide to Photography** by Michael Langford (Ebury Press, £8.95, 224 pages) although the price makes this volume much more affordable by the school-age enthusiast. Langford is Fellow and Senior Tutor in photography at the Royal College of Art. His book is well illustrated and guides the novice through basic photographic procedures.

Mohamed Amin runs a successful film and photographic agency in Nairobi, and is perhaps best known for his wild-life photography. As a Moslem, he has made the Pilgrimage to Mecca, and spent two years making a photographic record of the Holy Places of Islam. His **Pilgrimage to Mecca** (Macdonald and Janes, £25.00, 257 pages) allows the infidel to view what is in reality forbidden to him, but there are only so many ways to photograph the Pilgrimage and this handsome volume may have spread these a little too thinly. It will doubtless sell well in the souvenir shop at Jeddah Airport, though.

Contemporaries by Bern Schwartz (Collins, £15.00, 68 plates) is a collection of colour portraits. Some subjects are household names, some not, most are technically faultless, some are plain good pictures. The Archbishop of Canterbury and Sir Geraint Evans are particularly fine. Out of focus snaps of James Callaghan and Golda Meir rather spoil the selection, though. The royalties for this book will go to the Development Fund of the Royal Opera House, Covent Garden.

Creative Camera Collection 5 (Coo' Press, £12.50, 236 pages, distributed by Gordon Fraser). Despite a change in title—previously "The Creative Camera International Yearbook"—this book continues the attitudes of its predecessors and provides a showcase for work both contemporary and historical of the highest standards. It includes photographic collections produced by known and unknown photographers and technical information.

Photography Year 1978/79 (TimeLife £6.95, 240 pages). This popular photograhic annual contains a round-up of the year's achievements in photography. It covers new trends, technology and discoveries as well as the major shows and annual awards. It also covers many of the year's new books: beautifully designed and produced this volume must have a place in any enthusiast's library.

The British Journal of Photography Annual 1979 Henry (Greenwood, £6.75, 215 pages). This is the 119th edition of the World's oldest photographic yearbook and aims to provide a companion book to inform both amateur and professional photographers of the contemporary photographic scene. There is a wide ranging picture section, a feature section covering the work of Coburn and a 19th century photographer of rural Wales, John Thomas. New technology is covered and finally there is a Directory of Photographic Information.

Seal-hunting on the Magdalen Islands, Gulf of St. Lawrence—one of the illustrations in "Flash, Bang, Wallop!" reviewed today

Bad Marx

By REX WINSBURY

To Build A Castle by Vladimir Bukovsky. André Deutsch, £7.50. 352 pages

Main Currents of Marxism by Leszek Kolakowski. Oxford. *Three volumes, £7.95, £8.50* **and £8.50**

"Dissent," both religious and political, has a long and honourable tradition in western Europe. "Dissidents" are a peculiarly contemporary, Communist-bloc phenomenon, though the difference is perhaps more semantic than real. Both Bukovsky and Kolakowski are now in exile, one from the USSR, one from Poland; one at Cambridge, one at Oxford. Perhaps reflected in their choice of university havens, one was a practical dissident who expressed his dissent in his life and actions, the other an intellectual dissident dealing in ideas and theory.

But both are essentially dissenters from Marxism, its practice or its dogma. Bukovsky indeed sub-titles his book "My Life as a Dissenter": Kolakowski, behind a bland, academic title masks a sweeping, three volume denunciation of Marxism and all its prophets and apologists.

Both authors therefore belong on the same bookshelf, as two sides of the same rouble, and it would be odious to attempt any basic value-judgment between them. As books, as literature, there is, however, no doubt that Kolakowski's is the superior work — as indeed one might expect. He is the professional author and don, although saying that does not do justice to the directness, the lack of academic fussiness, with which Kolakowski expresses himself:

> "Marxism [he writes] has been the greatest fantasy of our century. . . . The self-deification of mankind, to which Marxism gave philosophical expression, has ended *in the* same way as all such attempts, whether individual or collective: it has revealed itself as the farcical aspect of human bondage."

That is how he begins and ends his epilogue to volume three, and it reveals the controlled passion with which he hacks away at the hated creed.

Bukovsky's book is that of a man who, after years in Soviet prisons or "political" mental hospitals, had a great deal to get off his chest, understandably. But as a result, the book is too long, too shapeless for the *average reader. While it is a* notable addition to the already huge corpus of Soviet prison literature, and a notable record of what Bukovsky did, the reader still has to dig out of it the episodes and anecdotes that really illuminate (as they indeed do) "the farcical aspects of human bondage" in the USSR.

For two great compensating merits of Bukovsky's account are, first, that he retained (learnt?) a certain wry detachment about his entirely self-sought martyrdom, bordering on a sense of farce; and, second, that he gives us from time to time fair and human portraits of his persecutors, the officers of the KGB. Being somewhat out of favour with Soviet intellectuals, this occupational group has been hard for the West to comprehend: are they devils with epaulettes, pigs like all policemen, only worse, petty bureaucrats, or decent if blinkered men who genuinely think they are doing important and/or worthwhile and/or well-paid work? It is a bonus of Bukovsky's courageous tale that they emerge as sometimes one, sometimes the other, and often a mixture, but at least as recognisable people and not theatrical villains.

War A to Z

What is Cricket? Answer: "Code name for the preliminary British American phase of the Yalta Conference at Malta on January 30 - February 2, 1945." This is one of some 4,500 entries in the **Encyclopedia of** *World War II* edited by Thomas Parrish (Secker and Warburg, £9.95, 767 pages), a weighty volume full of maps and pictures compiled by a team 50 strong. It should keep both the young and old under its spell for long sessions with its wealth of well codified information about all aspects of the last war.

ANTHONY CURTIS

Back to the picket-line

By NICK GARNETT

Grunwick: the workers' story by Jack Dromey and Graham Taylor. Lawrence and Wishart, £2.95. 207 pages

The Grunwick strike was too recent an experience to have fully entered the folklore of trade unions or made its final impact on the history of labour relations. That it will do so and deserves to do so is undisputed.

The strike showed the weak*ness of* British law on industrial relations, built as it is on the tradition of compromise, when one of the parties acts unreasonably judged by the norms of industrial relations practice.

It also became a battleground between the Right and Left in the broadest sense. The struggle was reflected in Parliament and *between the more robust groups* at the far ends of the political spectrum just as it was on the north London streets outside the film processing company whose name became a household word.

Grunwick reflected the lingering class divisions which help make labour relations such a minefield and highlighted some of the difficulties facing black immigrants in Britain. It was also seen by some, of course, as a fight by the small employer against the twin "evils" of organised labour and our interventionist laws, a theme running through *Fort Grunwick*, the book by Mr. George Ward, the company's managing director.

Both Mr. Taylor and particularly Mr. Dromey had close first hand knowledge of the dispute —Dromey as secretary of the Brent Trades Council, a leading strike spokesman and the man whose actions were followed more closely than anyone's by the media, and Taylor as an executive member of the trades council.

The standpoint of the book— the "workers' story"—and the broad Left attitudes of the authors are its weakness and strength. It is least good on the issue of law and order and the role of the police and the more unruly elements on the picket lines. It also tends to underestimate the feeling, held rightly or wrongly, by small companies, other than Grunwick, that the gamut of labour law has them pinned to the wall. To be fair, Grunwick was something special, putting it mildly.

The book, however, is excellent in reflecting the emotion and bitterness among the workforce to what they saw as an autocratic system of management and almost Victorian conditions of employment. It also reveals the division between the Left and Right in the labour movement and the problems this creates for the unions and the TUC in fighting what they believe to be a tough, obdurate and unreasonable employer. It follows the story of the dispute in a very quick-paced readable way.

The book takes no overall view on labour law on the lines of Joe Rogaly's *Grunwick*. Instead it says the strike showed, above all, how an unorganised workforce, ignorant of trade unions, could attract solid and massed labour support. In the case of Grunwick, of course, that support ultimately failed and that was one of the central lessons of the dispute—that against determined small employers which have the backing of more powerful forces trade unions are not as strong as some of the Press might like to think.

At the bar in White's

BY GEORGE MALCOLM THOMSON

March Past: A Memoir by Lord Lovat. *Weidenfeld and Nicolson.* **£7.95. 397 pages**

"Meet me at the bar in White's for a drink tomorrow," said the "Old Flamer" to Lord Lovat. The war was still in its early days; it was boring and likely to become more so.

The "Old Flamer" was General Cartier de Wiart, VC, a fighting man who had lost an eye and a hand in war. Lord Lovat was son of the man who founded Lovat's Scouts in another war. Neither of the two soldiers found the prospects in 1940 congenial.

But the bar in White's, which has provided the answer to so many military and personal problems, proved to be the *prelude to better things. It* led Lord Lovat to those irregular formations, frowned on by more conventional soldiers, loathed by the military bureaucracy, later known as the Commandos.

Lovat does not claim to have invented them; that distinction he assigns to an artillery major named Dudley Clarke. But they were *undoubtedly* the *answer to* his own problem as a spirited professional soldier in search of an active, exciting and imaginative war.

Soon Richmond Terrace in Whitehall became the headquarters of something known to the official world as Combined Operations, and to the less reverent as HMS Wimbledon, "all rackets and balls." And soon the Firth of Clyde was the centre of mysterious activities.

Whether the Commandos were, in the end, a good military investment is still debated. In 1940, commanding officers of regular units used to complain that their best young officers were being creamed off to these curious new formations, the value of which had still to be proved.

Some of the earlier raids, including the Dieppe Operation ("a disaster"), were Lord Lovat admits, far from being successful. *And in the long run, Hitler was* not going to be beaten. Europe was not going to be liberated, by scratching the surface of the Fortress.

However, that is not the only thing that had to be considered: there was the morale of a nation, engaged in a prolonged and tiresome war, and badly in need of the boost which a successful Commando raid would supply.

So far as Lovat was concerned, he was a natural Commando leader. Was he not a Highland chief; head of Clan Fraser; descendant of a long line of warriors, both brave and devious; regarded with respect by Frasers all over the world? Also, he had panache. Most imporant, he had a good military brain.

This was proved when his Commando Brigade, promoted from mere raiding to an important tactical role, held the left flank *at the Normandy landings.* If anybody doubts the quality of these soldiers and their leaders, let him read the accounts of that fighting which Lovat has assembled here.

Or, more simply, let him read some figures which are given: 2,600 men engaged in fighting: casualties, 967. And another set of relevant statistics: in all, during the war, the 5,000 volunteers of the Commandos collected eight VC's and 447 other decorations.

But it would be wrong to think of this book which Lovat has written (with some help from others) as a contribution to military history. It is an account, somewhat confused and lighthearted for the most part, of one man's life and war.

The intervals between the Comando raids occupy as much space as the raids themselves. After the Lofoten raid, every gasmask-holder contained a bottle of Schnapps. A whole barrel is brought ashore at Gourock and rolled on to a truck over which an armed sentry mounts guard. But the resources of the Clydeside "wharfie" are equal to the occasion. With bit and brace a hole is bored through the floorboards of the truck and into the barrel. By daybreak the schnapps had vanished. War is war.

At Troon there was a party for the returned warriors. In festive mood, Lieutenant Banks told the CO he was no good at his job, and moreover, was treating his wife badly. Banks was returned to his unit on the next train. Similarly inspired, junior officers chewed tumblers or tore packs of *cards in two. An unruly lot.*

In Evelyn Waugh's *Put Out More Flags*, Peter Pastmaster says, of a new force then being recruited at "Bratt's Club": "Most of war seems to consist of hanging about. Let's at least hang about with our own friends." The end of that story is told by Lovat: he dismissed Waugh, thus removing a highly unpopular officer from the Commandos and giving Waugh the opportunity to write three of his best books.

Stock Exchange dealings

Thursday, December 14 .... 3,944 | Tuesday, December 12 .... 4,102 | Friday, December 8 4,316
Wednesday, December 13 .... 4,170 | Monday, December 11 .... 4,619 | Thursday, December 7 4,241

The list below records all last Thursday's markings and also the latest markings during the previous four trading days of any share not marked on Thursday. The latter can be distinguished by the date (in parentheses).

The number of dealings marked on Thursday in each section follows the name of the section. Unless otherwise denoted shares are £1 fully paid and stock £100 fully paid. Stock Exchange securities are quoted in pounds and fractions of pounds or in pence and fractions of pence.

The list below gives the prices at which bargains done by members of The Stock Exchange have been recorded in The Stock Exchange Daily Official List. Members are not obliged to mark bargains, except in special cases, and the list cannot, therefore, be regarded as a complete record of prices at which business has been done. Bargains are recorded in the Official List up to 2.15 pm only, but later transactions can be included in the following day's Official List. No indication is available as to whether a bargain represents a sale or purchase by members of the public. Markings are not necessarily in order of execution, and only one bargain in any one security at any one price is recorded.

‡ Bargains at Special Prices. Δ Bargains done with or between non-members. Φ Bargains done previous day. § Bargains done with members of a recognised Stock Exchange. ◆ Bargains done for delayed delivery or "no buying-in". $A—$Australian; $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong; $J—$Jamaican; $Ma—$Malayan; $Mex—$Mexican; $NZ—$New Zealand; $S—$Singapore; $US—$United States; $WI—$West Indian.

BRITISH FUNDS (707)

INTNL. BANK (1)

CORPORATIONS (41)

FREE OF STAMP DUTY

SHORT DATED BONDS

FREE OF STAMP DUTY

PUBLIC BOARDS (57)

FREE OF STAMP DUTY

COMMONWEALTH GOVTS. (3)

REGISTERED AND INSCRIBED STOCKS

FOREIGN STOCKS (6)

COUPONS PAYABLE IN LONDON

BANKS (111)

BREWERIES (135)

COMMERCIAL (2,181)

A—B

C—D

E—F

G—H

I—J—K

L—M

N—O—P

Q—R—S

APPOINTMENTS

New chief at Greene King

Sir Hugh Greene, who has been chairman of GREENE, KING and SONS for seven years, retires from the Board on December 31, and will be succeeded by Mr. John Bridge. Mr. Bridge has been a director since 1948 and managing director since 1969.

From January 1 Mr. Martin Corke will be joint managing director with Mr. John Bridge. Mr. Corke became a director in 1953.

Sir Hugh's eldest son, Mr. Graham C. Greene, will join the Board in a non-executive capacity on January 1. Mr. Greene is managing director of Jonathan Cape, and joint chairman of Chatto, Bodley Head and Jonathan Cape. He is also a director of Guinness Peat.

★

Mr. A. P. Dimambro has been made a director of SUTCLIFFE CATERING GROUP SERVICES, responsible for vending.

★

HARRIS and SHELDON GROUP announces that Mr. C. H. Plenderleith has been elected a director of the group. He has been managing director of Antler, a subsidiary, since 1965.

★

Rear Admiral L. S. Bryson is to become Chief Naval Engineer Officer on January 28, in succession to Rear Admiral D. G. Satow. In addition to his new appointment, Rear Admiral Bryson will continue as Director General Weapons (Naval). He entered the Royal Navy in 1944 as a wartime engineering cadet.

★

Mr. Philip Robinson, a director of J. Henry Schroder Wagg and Company, will become chairman of SCHRODER LEASING on January 1, in succession to Mr. H. G. Ashton who, has been made head of the company finance division of J. Henry Schroder Wagg and Company. Mr. Peter B. Lawson will also become a director of Schroder Leasing on that date.

★

Mr. J. K. Shepherd will be resigning from the Board of TURNER AND NEWALL on January 1.

★

Mr. R. Stewart Rauch and Mr. H. D. Waldron have been appointed directors of the GENERAL ACCIDENT FIRE AND LIFE ASSURANCE CORPORATION following the resignation of two other directors, Mr. J. Nelmes Crocker and Mr. W. H. Hartley.

★

Mr. David Pearce has been appointed to the new post of export sales director at AIRFIX PRODUCTS. He joins the company from Marley Export.

★

Mr. Robert A. Kubee, general manager of FIRST WISCONSIN NATIONAL BANK'S London branch has completed his five year assignment in the City and is being reassigned to the Milwaukee head office. He will be replaced by Mr. John S. C. Leavitt currently vice-president and manager of the Bank's New York affiliate, First Wisconsin International Bank, who will co-manage the branch with Mr. John Wakefield formerly deputy general manager.

★

THE LONDON LIFE ASSOCIATION announces that Mr. B. M. P. Thompson-McCausland will assume the office of vice-president on January 1 in place of Mr. A. J. B. ffforde, who has requested release because of his professional commitments but will continue as a director.

★

Mr. John R. Sawyer, an assistant vice-president, has been appointed head of London lending activities for the international shipping group, of the BANKERS TRUST. Previously he was engaged in international banking at Guinness Mahon and Company, and at National Westminster.

★

Mr. R. L. Clews has been appointed executive chairman of GLANVILL ENTHOVEN (HOME), a subsidiary of international insurance brokers Glanvill Enthoven (a Charterhouse group company). Mr. R. H. Richards becomes joint deputy chairman and managing director; Mr. D. W. Andrew, director and joint deputy chairman; Mr. T. Masters, assistant managing director; and Mr. B. H. C. Graham, a director.

★

The Board of OLIVES PAPER MILL COMPANY announce that Mr. H. Lewis Ward, a director since 1944 and chairman since 1955, wishes to retire on March 31, 1979. The deputy chairman, Mr. Aubrey T. Heyer, will succeed Mr. Ward.

★

Mr. R. A. Graves has been made executive deputy chairman of BRICKHOUSE DUDLEY.

★

Mr. Derrick Holden-Brown, vice-chairman of Allied Breweries, has been elected chairman of the BREWERS' SOCIETY. He succeeds Mr. Edwin J. Thompson, chairman and managing director of The Wolverhampton and Dudley Breweries who has been elected a vice-president of the Society. Mr. Derek Palmar, chairman and chief executive of Bass Charrington has been elected vice-chairman of the Society.

★

Mr. K. H. Wallis has been elected president of THE MINING ASSOCIATION of the UK for the coming year and Mr. P. H. Dean has been elected vice-president. Mr. S. C. Brealey and Mr. P. W. Tress have been elected to the council of the association.

★

The Secretary of State for Prices and Consumer Protection, has appointed Mr. R. H. Powell as a member of the NATIONAL GAS CONSUMERS' COUNCIL until June 30, 1981. He was, until his retirement, company secretary of the Dorchester Hotel, Park Lane.

هكذا من الأصل

Investment trusts (continued)

Capital (50p)
Drayton Commercial Inv. (25p) 124 (12/12)
Drayton Consolidated Tst. (25p) 139½⊕. 6½pcALn. 109½⊕
Drayton Far Eastern Tst. (25p) 39 (13/12)
Drayton Premier Inv. Tst. (25p) 186 ½ (12/12). 5pcPf. 36½. 7½pcLn. 111
Dualvest Income (50p) 61½ (8/12). Do. Capital 209
Dundee. London Inv. Tst. (25p) 64½ (8/12)
Edinburgh American Assets Tst. (25p) 115 4 (13/12). 4½pcPf. 33 (12/12)
Edinburgh Inv. Tst. Dfd. 219⊕ 17 19
Electric. General Inv. (25p) 77 (12/12)
English. Internat. Tst. (25p) 84 (12/12)
English. New York Tst. (25p) 74½⊕
English. Scottish Investors (25p) 73 (13/12)
Equity Consort Inv. Tst. Dfd. (50p) 131 (13/12)
Estate Duties Inv. Tst. (25p) 81 (12/12)
First Scottish American (25p) 90. 5pc Unsec.Ln. 86
First Union Gen. (0.25) 42 (13/12)
Foreign Colonial (25p) 164⊕ 26 ½ 1½. 4½pcDeb. 55 (13/12). 6½pcDeb. 56½ (11/12)
Fundinvest Cap.shs. (25p) 59
GT Japan (25p) 185½ (12/12)
General Funds Inv. (25p) 176
General Investors Trustees (25p) 102 (13/12)

West Rand Consold. Mines (R1) 100 (12/12)
Western Areas Gold (R1) 135
Western Deep Levels (R2) 690:
Western Hldgs. (R0.50) 15.20 (12/12)
Winkelhaak (R1) 572 (12/12)
Wits. Nigel (R0.25) 30⊕
Zandpan Gold (R1) 214 24 (11/12)

West African (3)

Amal. Tin Nigeria (Hldgs.) (10p) 23
Bisichi Tin (10p) 6½
Jantar (12½p) 8½⊕

Diamond (11)

Anglo-American Inv. Tst. (R0.50) 36¼⊕
De Beers Consd. 40pcPf. (Reg.) (R5) 9. Dfd. (Reg.) (R0.05) 350:⊕ 60⊕ 51⊕ $US5.26 5.23 5.22 362 60 $US5.20½. (Br.) (R0.05) $US6.22 434 5 (13/12)

OIL (134)

British-Borneo Petroleum Synd. (10p) 158⊕
British Petroleum 920:⊕ 16⊕ 18 20 2 6 5 10: 15: 18: 24 18. 8pc1stPf. 67 (12/12). 9pc2ndPf. 73 (12/12). 6pc Db. 89¼ (13/12)
Burmah Oil 80½⊕ 3⊕ 80 1 80½ 3 2. 7¼pcPf. 49½ (13/12). 8pcPf. 52 (12/12). 7pcUnsec.Ln. 64. 8½pcUnsec. Ln. 60½⊕
Century Oils Group (10p) 62½ (12/12)
Charterhall (5p) 23 (13/12)
Esso Petroleum 5½pc1stDb. 78 (8/12). 6pc1stDb. 89½ (8/12)
Hunting Petroleum Services (25p) 87⊕ 7
KCA Internatl. (25p) 35 (13/12)
London Scottish Marine Oil (25p) 130 1½. Oil Prod. Stk. Units (10p) 392⊕ 3⊕. 14pcUnsec.Ln. 100¼ (12/12)
Oil Exploration (Hldgs.) (10p) 222
Premier Cons. Oilfields (5p) 15
Royal Dutch Petroleum (Br.) (Fl20) $US58.85 £40.60 (13/12)
Shell Transport Trdg. (Reg.) (25p) 578 3 2 6 5 70: 7 80. (Br.) (25p) 587. 5½pc 1stPf. 43½ (8/12). 7pc2ndPf. 61 (12/12)

Millford Docks 119 (13/12)

WATERWORKS (10)

Bristol 4.9pc 45 (12/12). 7pcPf. 97¾
Colne Valley 8pcPf. (£10 pd.) 12½. 8pcPf. 1984 100½ ¾ (11/12)
E. Anglian 3.5pcCons. 33 (12/12)
E. Surrey 4.2pcPf. 63½
Essex 3.5pcCons. 33½ (11/12)
Lee Valley Water 2.8pc 25½ (13/12)
Mid Kent Water 8pcPf. 1984 (£10pd) 13 ¼ ¼ ¾
North Surrey Water 4.2pcPf. 67½ (13/12)
Rickmansworth and Uxbridge Valley Water 7pcPf 1985 (Fy. Pd.) 97
Staffordshire W. W. Co. 4pcDb. 25½⊕
Sutton District 4.9pc (fmly 7pc) 43 (12/12)
Tendring Hundred 3.5pc (fmly 5pc) Max. New 335 (13/12). 5.6pc (fmly 8pc) Max. Pld. 520

RUBBER (18)

Castlefield (Klang) Rubber Estate (10p) 230 (13/12)
Consolidated Plantations (10p) 38 (11/12)
Guthrie Corp. 327⊕ 2⊕ 20⊕ 5 20 2 3. 7½pc Ln. 60½ (12/12)
Harrisons Malaysian Estates (10p) 103
Highlands & Lowlands Berhad (SMa.0.50) 108 9 (8/12)
Kuala Lumpur Kepong Berhad (SMa.1) SU.S.0.96 (13/12)
Londo Rubber Estates (5p) 34 (11/12)
London Sumatra Plantations (10p) 183 8
Maledie Inv. (10p) 69 (13/12)

SPECIAL LIST

Business done in securities quoted in the Monthly Supplement.

DECEMBER 14 (Nil)

DECEMBER 13 (Nil)

DECEMBER 12 (Nil)

DECEMBER 11 (Nil)

DECEMBER 8 (Nil)

RULE 163 (1) (e)

Bargains marked in securities which are quoted or listed on an overseas Stock Exchange.

DECEMBER 14

Anglo Utd. 180
Argo Inv. 1260. New 47:
Bukit Sembawang 70
Central Pac. Mins. 400 30
Ciba Geigy 7¼pcCnv. £92½⊕
Hong Kong Land 116
Hutchison Whampoa 61⊕ 60⊕ 1. Do. 7½pc Pf. 13½⊕
Jardine Matheson 174⊕ 5
Kulim Malaysia 45½
Lap Heng HK$2.70¼:⊕ 2.70:⊕
New Metal Mines 6½
Pac. Pets. £35¾⊕
Poseidon 53
Rand Leases US$0.23:
Soo Line Railroad £34½⊕
Sthrn. Pac. Pets. 177 ½
Swire Pac. A 111½ 12 ½
Westfield Mins. 327 5
Wheelock Maritime B 4⊕
Yukon Cons. 165

DECEMBER 13

Ansett Transport 116
Bethlehem Steel £14⅛⊕ US$ 20
Boral 174
Bougainville Copper 124
Bridge Oil 112⊕ 11 15
Ciba Geigy 8pcCnv. £89½⊕ 90
Durban (City of) 5pcLn. 1983 £72⊕. Do. 8pcLn. 1981 £85⊕
Exxon Cpn. £34½
Jo'burg. (City of) 5pcLn. 1983 £74⊕
Magnet Metals 27
Oil Search 9⊕ ½⊕ 8
Polaroid £35⅛
Texas Gas Transmission £25¼⊕
Timor Oil 6½⊕
Triako Mines 13
Union Oil of California £37⁹⁄₁₆
Woodside Pets. 55

DECEMBER 12

Bond Cpn. 36⊕
BP Canada £11⅝
Carpenter (W. R.) 106
Conzinc Rio Tinto Australia 278⊕
Endeavour Resources 19½
Jardine Secs. 91
Liberty Life Assn. 485
Metal Ex. 26½
Pac. Copper 62
Pancontinental £8
Peko Wallsend 444
Pioneer Sugar 98⊕
Premier Milling 240⊕
Rembrandt Grp. 170⊕
Soarkos Ex. 24
Takashimaya 144½
Thomas Nationwide 101
Woolworth Hldgs. 190⊕

DECEMBER 11

Atherton Antimony 65
Australian Cons. Mins. 11
Australian Oil Gas 60
EZ Inds. 237
Eurounion US$ 49:⊕
Hudson's Bay Oil Gas £31¾:⊕
Johnsons Controls £16¼⊕
Oakbridge 128
Offshore Oil 9½
Shell Refinery Malaya 79
Simpsons Canada 465
Supervalu Stores US$ 17¾⊕
Swire Props 47
Takeda Chem. £17⅞ 18
Wheelock Marden A 38½⊕ US$ 0.56⊕ p39½. Do. B 3½⊕

DECEMBER 8

Ampol Pets. 59
Ashton Mng. 75
Australian Foundation 76
Basic Resources 245
Engelhard Mins. and Chem. Cpn. £19⅞
North West Mng. 27
Smith Intnl. Inc. £32¾⊕
Trans Canadian Resources 95⊕
Western Queen 18⊕

RULE 163 (2) (a)

Applications granted for specific bargains in securities not listed on any Stock Exchange.

DECEMBER 14

All England Lawn Tennis Ground £50Dbs. (£324 pd.) £3850
Arsenal FC £152
Battersby (Hldgs.) 7pcPf. 10 9
Blyth Greene Jourdan 170
Border TV A N.-vtg. 24
Burrough (James) 130
Cambridge Instrument (1p) 3¼ 3
Cambridge Instrument (10p) 4½ 4
Computer and Systems Eng. 150
Dawson (W. M.) (Hldgs.) 51½ ¾
Dimbula Valley (Ceylon) Tea 70
Doloswella Hldgs. 20 19
Exchem Hldgs. Stk. Units 50p 92 1
Gibbs Mew 6½pc1stDb. £79
Grampian TV 38
GRA Prop. Tst. 12
Grendon Tst. 11pcLn. £7
Kagera Inv. US$ 0.70
Kathleen Invs. (Australia) A$2.85 p202
Kellock Hldgs. 44
Kunick Hldgs. 20 19½
Maddock 26 5 4
Maddock 7½pcUns.Cnv. £75 2 70
Manordale Grp. 32½ 1½
Mining Inv. Cpn. 71 70½
Nationwide Leisure 7½
Norton Villiers Triumph 2¾
Queensland Mines $3.57 p254
Queen St. Warehouse (Hldgs.) 4 2
Sthrn Newspapers 109
Twinlock 24

DECEMBER 13

Ann Street Brewery 475
Aran Energy 65
Birmingham City FC 900 850
Bishopsgate Offshore Services 100 96½
CAMRA (Real Ale) Invs. 110
Clairmace 23 1
Delsenne (Hldgs.) 16 15
Dollar Land Hldgs. 50
Eastbourne Waterworks 2.8pcPf. 127
Eldridge Pope A 217
Kellock Hldgs. Cnv.Ln. (1st sers.) 44
Maddock 7½pcSub.Uns.Cnv. (Ass. Cnvrsn.) £78 6 5
Manchester Stock Exchange Bldgs. 105
Merrydown W'ne 30
NMW Computers 158
Urogate Invs. 135½ 5

DECEMBER 12

Aston Villa Club £105 95
Cramphorn 315 10
Gale (George) £165
Javelin Equity Tst. 165
Le Riches Stores 440
Oldham Ests. 144 5
PMPA Insurance 44
Vannin Intnl. Secs. Pto.Inc. 85
Vannin Intnl. Secs. Cap.Growth 45

DECEMBER 11

Castletown Brewery 230
Cedar Hldgs. 5pcPf. 72
Clyde Pet. 90
Hall and Woodhouse 4pc1stDb. £31 30
NMW Computers 175
Nuthalls (Caterers) 7pcPf. 38 7¾
Oldham Brewery 75
Scottish Worsteds and Woollens 6.5pcPf. 27½ ¼
Wadworth 350
Weetabix A N.-vtg. 62
Whitley Bay Entertainments 6pcPf. 14

DECEMBER 8

Home Brewery 295
Iessel Tst. 10pcPf. 33
Jersey Canning 4pcPf. 27
Linsey and Kesteven Fertilisers (Hldgs) 200
Octavia Hill and Rowe Housing Tst. 3pcLn. £15
Panners Football Club 800
St. Pancras Housing Soc. Cnv.Ln. £13

RULE 163 (3)

Bargains marked for approved companies engaged solely in mineral exploration.

DECEMBER 14 (Nil)

DECEMBER 13

Siebens (UK) 270

DECEMBER 12 (Nil)

DECEMBER 11

CCP North Sea Associates £11⅝

DECEMBER 8

Gas and Oil Acreage 107

(By permission of the Stock Exchange Council)

LOCAL AUTHORITY BONDS

Authority (telephone number in parentheses)	Annual gross interest	Interest payable	Minimum sum	Life of bond
	%		£	Year
Barnsley Metro. (0226 203232)	12	½-year	250	3-7
Barking (01-592 4500)	11¾	½-year	1,000	4-6
Barking (01-592 4500)	12¼	½-year	5,000	4-6
Knowsley (051 548 6555)	12½	½-year	1,000	6-10
Manchester (061 236 3377)	12	½-year	500	5
Poole (02013 5151)	11¾	½-year	500	2-3
Poole (02013 5151)	12¼	½-year	500	6-7
Poole (02013 5151)	12¼	½-year	500	5
Redbridge (01-478 3020)	12	½-year	200	4-5
Sefton (051 922 4040)	12	½-year	2,000	2-3
Wrekin (0952 505051)	12½	yearly	1,000	5-10

BUILDING SOCIETY RATES

	Deposit Rate	Share Accts.	Sub'pn Shares	*Term Shares
Abbey National	7.75%	8.00%	9.25%	9.00% 3 yrs., 8.50% 2 yrs.
Aid to Thrift	8.25%	8.75%	—	—
Alliance	7.75%	8.00%	9.25%	9.00% 3-4 yrs., 8.50% 2 yrs., 8.25% 1 yr.
Anglia Hastings and Thanet	7.75%	8.00%	9.25%	9.00% 3-4 yrs., 8.50% 2 yrs., 8.25% 1 yr.
Bradford and Bingley	7.75%	8.00%	9.25%	9.00% 3 yrs., 8.50% 2 yrs.
Bridgwater	7.75%	8.00%	9.50%	9.10% 2½ yrs., 8.75% 2 yrs.
Bristol and West	7.75%	8.00%	9.25%	—
Bristol Economic	7.75%	8.00%	9.25%	8.25% 3 months' notice
Britannia	7.75%	8.00%	9.25%	9.00% 3 yrs., 8.50% 2 yrs.
Burnley	7.75%	8.00%	9.25%	9.00% 3 yrs., 8.50% 2 yrs.
Cardiff	7.75%	8.50%	9.50%	—
Catholic	6.00%	●6.80%	7.50%	— ● 7% over £5,000
Chelsea	7.75%	8.00%	9.25%	8.75% minimum £500, 6 months' notice
Cheltenham and Gloucester	7.75%	8.00%	9.25%	9.00% 3 yrs., 8.50% 2 yrs., £500-£15,000
Citizens Regency	7.75%	8.30%	9.50%	9.55% 3 years
City of London	8.00%	8.30%	9.25%	9.35% 3 yrs. increment share min. £500
Coventry Economic	7.75%	8.00%	9.25%	9.00% 3 yrs. min., 8.50% 3 mths.' notice
Coventry Provident	7.75%	8.00%	10.00%	9.25% 3 yrs., 8.75% 2 yrs., 8.25% 1 yr.
Derbyshire	7.75%	8.00%	9.25%	8.50% up to 3 months' notice
Gateway	7.75%	8.00%	9.25%	9.00% 3yrs., 8.5% 2yrs., min. £500-£15,000
Guardian	7.75%	8.25%	8.50%	8.95% £1,000 3 months' notice
Halifax	7.75%	8.00%	9.25%	9.00% 3 yrs., 8.50% 2 yrs.
Heart of England	7.75%	8.00%	9.25%	9.00% 3 yrs., 8.50% 3 months' notice
Hearts of Oak and Enfield	7.75%	8.25%	9.75%	9.25% 3-4 yrs., 9.00% 2 yrs., 8.71% 1 yr.
Hendon	8.00%	8.50%	—	9.00% 6 months, minimum £2,000
Huddersfield and Bradford	7.75%	8.00%	9.25%	9.00% 3 yrs., 8.50% 2 yrs.
Leamington Spa	7.85%	8.10%	■10.97%	8.85% 2 years. ■ 3 years
Leeds Permanent	7.75%	8.00%	9.25%	9.00% 3 yrs., 8.50% 2 yrs., min. £1,000
Leicester	7.75%	8.00%	9.25%	9.00% 3 yrs., 8.50% 2 yrs., 8.25% 3 mths.
Liverpool	7.75%	8.00%	9.45%	9.10% 3 yrs., 8.80% 2 yrs., min. £1,000
London Goldhawk	7.75%	8.25%	9.50%	9.25% 3 yrs., 9% 2 yrs., 8.75% 1 yr.
Melton Mowbray	7.85%	8.10%	9.25%	8.85% 2 yrs., minimum £2,000
Midshires	7.75%	8.00%	9.25%	9.00% 3 yrs., 8.50% 2 yrs., 8.25% 1 yr.
Mornington	8.25%	8.75%	—	— Rates effective from Jan. 1
National Counties	8.00%	8.30%	9.30%	9.40% 6 mths., 8.75% 3 mths., min. £1,000
Nationwide	7.75%	8.00%	9.25%	9.00% 3-4 yrs., 8.50% 2 yrs., min. £500
Newcastle Permanent	7.75%	8.00%	9.30%	9.30% 3 yrs., 9.00% 2 yrs.
New Cross	7.25%	7.50%	—	—
Northern Rock	7.75%	8.00%	9.25%	9.00% 3 yrs., 8.50% 2 yrs., min. £200
Norwich	7.75%	8.00%	9.50%	9.00% 3 yrs., 8.75% 2 yrs., min. £200
Peckham Mutual	8.00%	8.50%	—	—
Portman	7.75%	8.00%	9.25%	9.00% 3 yrs., 8.75% ½-yrly., 8.25% 3 mths.
Principality	7.75%	8.00%	9.25%	9.00% 3-4 yrs., 8.50% 2 yrs., min. £500
Progressive	8.00%	8.25%	9.25%	9.00% 2 yrs., 8.75% 3 months' notice
Property Owners	7.75%	8.50%	9.75%	9.00% 3 months' notice
Provincial	7.75%	8.00%	9.25%	9.00% 3-4 yrs., 8.50% 2 yrs.
Skipton	7.75%	8.00%	9.25%	9.00% 3yrs., 8.50% 2yrs., 8.25% 3mths.not.
Sussex Mutual	7.75%	8.35%	10.00%	9.30% 3 yrs., 9.00% 2 yrs., 8.75% 1 yr.
Town and Country	7.75%	8.00%	♣10.00%	9.00% 3 yrs., 8.50% 2 yrs. ♣ Max. £250
Walthamstow	7.75%	8.10%	9.20%	9.15% 3 yrs., 8.85% 3 mths. not. min. £500
Woolwich	7.75%	8.00%	9.25%	9.00% 3 yrs., 8.50% 2 yrs.

* Rates normally variable in line with changes in ordinary share rates.

All these rates are after basic rate tax liability has been settled on behalf of the investor.

EXCHANGE CROSS RATES

Dec. 15	Pound Sterling	U.S. Dollar	Deutschemark	Japanese Yen	French Franc	Swiss Franc	Dutch Guilder	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.980	3.750	388.0	8.600	3.345	4.058	1676.	2.340	59.40
U.S. Dollar	0.505	1.	1.894	196.0	4.343	1.689	2.049	846.2	1.182	30.00
Deutsche mark	0.267	0.528	1.	103.5	2.293	0.892	1.082	446.8	0.624	15.84
Japanese Yen 1,000	2.577	5.103	9.665	1000.	22.16	8.621	10.46	4318.	6.031	153.1
French Franc 10	1.163	2.302	4.360	451.2	10.	3.890	4.718	1948	2.721	69.07
Swiss Franc	0.299	0.592	1.121	116.0	2.571	1.	1.213	500.9	0.700	17.76
Dutch Guilder	0.246	0.488	0.924	95.63	2.120	0.824	1.	412.9	0.577	14.64
Italian Lira 1,000	0.597	1.182	2.238	231.6	5.133	1.996	2.422	1000.	1.397	35.45
Canadian Dollar	0.427	0.846	1.603	165.8	3.675	1.429	1.734	716.0	1.	25.38
Belgian Franc 100	1.684	3.333	6.313	653.2	14.40	5.631	6.831	2821.	3.938	100.

CURRENCIES, MONEY and GOLD

UK MONEY MARKET

Bank of England Minimum Lending Rate 12½ per cent (since November 9, 1978)

The Treasury bill rate rose by 0.0207 per cent at yesterday's tender to 11.5769 per cent. The minimum accepted bid was £97.07½ compared with £97.09½ the previous week, and bids at that level were met as to about 4 per cent. The £300m bills on offer attracted bids of £780.685m and all bills offered were allotted. Next week a further £300m will be on offer, replacing a similar amount of maturities.

Day to day credit was in short supply in the London money market yesterday and the authorities gave assistance by buying a moderate amount of Treasury bills, all direct from the discount houses and lent a large amount to one or two houses at MLR for repayment on Monday.

The market was faced with a very large increase in the note circulation and a moderate net take up of Treasury bills to finance. On the other hand, banks brought forward balances well above target. Discount houses were paying 11½-12 per cent for secured call loans at the start while closing balances were taken at 10½-11 per cent.

In the interbank market, overnight loans opened at 11½-11¾ per cent and fell away to touch 10¾-11 per cent before rising to 11½-12 per cent on the forecast of a large shortage. Rates then eased to 10¾-10⅞ per cent and fluctuated between 11¼ per cent and 10 per cent before closing at 11-11¼ per cent.

Rates in the table below are nominal in some cases.

EXCHANGES AND BULLION

Trading in yesterday's foreign exchange market remained at a generally low level ahead of the weekend, with the U.S. dollar continuing to weaken prior to today's OPEC meeting. The dollar's decline came as something of a surprise in some quarters, since the rather quiet conditions warranted only a conservative amount of support to maintain a steady level against other currencies. However, the U.S. unit fell to DM 1.8930 from DM 1.8957½ gainst the D-mark and SwFr 1.6887½ against SwFr 1.6895 in terms of the Swiss franc. The Italian lira also showed an improvement to L846½ from L848.2 previously.

Uusing Morgan Guaranty figures at noon in New York, the dollar's trade weighted average depreciation widened to 8.7 per cent from 8.6 per cent. On Bank of England figures, the dollar's index fell from 84.5 to 84.3.

Sterling opened at $1.9760-1.9770 and firmed to $1.9840-$1.9850 before support for the dollar pushed the rate down to $1.9750. With the opening of New York centres, the demand for sterling continued and it improved to close at $1.9795-1.9805, a rise of 35 points on Thursday's close. Against other currencies the pound showed a slight overall improvement and its trade weighted index imporved to 63.2 from 63.1, having stood at 63.3 at noon and 63.3 in the morning.

Gold spent another uneventful day, but managed a $3¼ an ounce gain to $206¾-207¼.

THE POUND SPOT

Dec. 15	Bank rate ⊕	Day's Spread	Close
U.S. $	9½	1.9740-1.9860	1.9795-1.9805
Canadian $	10¾	2.3305-2.3420	2.3395-2.3405
Guilder	6½	4.05-4.08	4.05¾-4.06¾
Belgian F	6	59.25-59.65	59.35-59.45
Danish K	8	10.40½-10.47	10.41½-10.42½
D-Mark	3	3.74-3.77	3.74½-3.75½
Port. Esc.	18	92.05-92.85	92.15-92.55
Span. Pes.	8	140.60-141.50	141.00-141.10
Lira	10½	1,676-1,680	1,675-1,678
Nrwgn. K.	7	10.10½-10.15½	10.12-10.13
French Fr.	9½	8.58-8.64	8.59½-8.60½
Swedish Kr.	8½	8.70-8.76	8.71½-8.72½
Yen	3½	384-392	387-389
AustriaSch.	4½	27.40-27.60	27.43-27.48
Swiss Fr.	1	3.33-3.36	3.34-3.35

Belgian rate is for convertible francs. Financial franc 60.10-60.20.

* Rate for U.S.$ on Dec. 14 should have been 1.9760-1.9770 (close).

OTHER MARKETS

Dec. 15	£	$		£ Note Rates
Argentina Peso	1.935-1.939	977.27-979.29	Austria	27-28
Australia Dollar	1.7325-1.7375	0.8775-0.8785	Belgium	59¾-61¼
Finland Markka	7.9550-7.9700	4.0250-4.0270	Denmark	10.40-10.50
Brazil Cruzeiro	39.93-40.93	20.17-20.67	France	8.55-8.65
Greek Drachma	71.954-73.712	36.34-37.23	Germany	3.70-3.80
Hong Kong Dollar	9.4650-9.4850	4.7920-4.7930	Italy	1630-1700
Iran Rial	145.13-149.07	73½-75½	Japan	385-395
Kuwait Dinar (KD)	0.538-0.548	0.27410-0.27420	Netherlands	4.00-4.10
Luxembourg Franc	59.35-59.45	29.98-30.00	Norway	10.05-10.20
Malaysia Dollar	4.3050-4.3175	2.1870-2.1900	Portugal	88-98
New Zealand Dollar	1.8275-1.8845	0.9488-0.9519	Spain	141½-145½
Saudi Arabia Riyal	6.60-6.70	3.3560-3.3610	Switzerland	3.30-3.40
Singapore Dollar	4.2700-4.2825	2.1690-2.1700	United States	1.9800-1.9900
South African Rand	1.7109-1.7371	0.8640-0.8775	Yugoslavia	41-45

Rate given for Argentina is free rate.

GOLD

	Dec. 15	Dec. 14
Gold Bullion (a fine ounce)		
Close	$206¾-207¼	$203½-204½
Opening	$204¾-205¼	$202½-205½
Morning fixing	$205.60 (£103.786)	$202.80 (£102.824)
Afternoon fixing	$205.60 (£103.865)	$204.00 (£103.176)
Gold Coins, domestically		
Krugerrand	$218½-220½ (£110½-111½)	$216½-218½ (£109½-110½)
New Sovereigns	$62½-64½ (£31½-32½)	$61-63 (£31-32)
Old Sovereigns	$59-61 (£29¾-30¾)	$58-60½ (£29¼-30½)
Gold Coins, internationally		
Krugerrand	$211-213 (£106½-107½)	$209½-211½ (£106½-107½)
New Sovereigns	$54½-56½ (£27½-28½)	$53½-55½ (£27-28)
Old Sovereigns	$58-61 (£29½-30½)	$58½-60½ (£29½-30½)
$20 Eagles	$285-290	$282-287
$10 Eagles	$155-160	$157-161
$5 Eagles	$106-111	$104-109

LONDON MONEY RATES

Dec. 15 1978	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposit	Treasury Bills ⊕	Eligible Bank Bills ⊕	Fine Trade Bills ⊕
Overnight	—	10-12	—	—	—	12½	10-12½	—	—	—
2 days notice	—	—	11¾-12	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	12⅝	—	—	—	—
7 days notice	—	11½-12	12-12⅛	—	12¼	—	11½-11⅞	—	—	—
One month	12⅛-11⅞	12⅛-12¼	12-12⅛	12⅛-12⅜	12½	12½	11¾	11⅞-11⅝	12⅛	12½
Two months	12¼-12⅛	12⅜-12⅝	—	12-12⅝	12⅝	12¾	12	11⅞-11⅞	12⅛-12¼	12½
Three months	12⅝-12⅝	12¼-12⅜	12⅛-12¼	11⅞-12⅜	12¾	—	12	11⅝-11⅞	12⅛-12⅛	12½
Six months	12⅛-11⅞	12⅛-12¼	11⅞-12⅛	11¾-12	12⅝	—	—	—	11⅝-11¾	12⅝
Nine months	11⅞-11¾	11⅞-12⅛	—	11⅝-12	12⅝	—	—	—	—	—
One year	11¾-11⅝	11⅞-12	11½-11⅞	11⅝-12	12⅝	—	—	—	—	—
Two years	—	—	12-12¼	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. * Long-term local authority mortgage rates nominally three years 12½-12¾ per cent; four years 12¾-12⅞ per cent; five years 12¾-12⅞ per cent. ⊕ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 11⅞-12 per cent; four-month trade bills 12¾ per cent.

Approximate selling rates for one-month Treasury bills 11⅝ per cent; and two-month 11¾ per cent; three months 11²⁷⁄₃₂-11⅞ per cent. Approximate selling rate for one-month bank bills 11¹⁵⁄₁₆-11³¹⁄₃₂ per cent; two-month 11³¹⁄₃₂-12 per cent; and three-month 11³¹⁄₃₂-12 per cent; one-month trade bills 12⅝ per cent; two-month 12⅝ per cent; and also three-month 12¾ per cent.

Finance House Base Rates (published by the Finance Houses Association) 11½ per cent from December 1, 1978. **Clearing Bank Deposit Rates** for small sums at seven days' notice 10 per cent. **Clearing Bank Base Rates** for lending 12½ per cent. **Treasury Bills**: Average tender rates of discount 11.5769 per cent.

CURRENCY MOVEMENTS

December 14	Bank of England Index	Morgan Guaranty changes %
Sterling	63.13	−40.6
U.S. dollar	84.47	− 8.6
Canadian dollar	79.58	−17.8
Austrian schilling	144.94	+19.0
Belgian franc	113.01	+14.5
Danish krone	117.18	+ 6.4
Deutsche Mark	148.41	+41.2
Swiss franc	193.09	+83.1
Guilder	123.50	+20.0
French franc	98.51	− 6.4
Lira	54.28	−48.9
Yen	138.60	+46.7

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

EURO-CURRENCY INTEREST RATES

Dec. 15	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
†Short term	11⅝-11⅞	9¾-10	7½-8½	10-10¼	−⅛-par	3⁵⁄₁₆-3⁷⁄₁₆	6⅝-6¾	12-14	—	⅛-½
7 days' notice	12¼-12½	9⅞-10⅛	7½-8½	10-10¼	par-⅛	3⁵⁄₁₆-3⁷⁄₁₆	6⅝-7	13-15	9¹⁵⁄₁₆-10¹⁄₁₆	¾-1¼
Month	12⅛-13⅛	11⅛-11⅝	10-10⅜	10⅛-10⅜	−⅟₁₆-⅟₁₆	3⁵⁄₁₆-3⁹⁄₁₆	9⅜-9⅝	14½-15½	11³⁄₁₆-11⁵⁄₁₆	1⅜-1⅝
Three months	13-13⅜	11¼-11½	10½-10⅞	9¾-10	−⅛-⅛	3⁹⁄₁₆-3¹¹⁄₁₆	9⅛-9⅜	14¾-15¾	11¼-11⅜	2⅛-2⅜
Six months	13⅞-14⅛	11¹⁄₁₆-11⁵⁄₁₆	10⅝-10⅞	9¼-9½	⅟₁₆-⅟₁₆	3¹¹⁄₁₆-4⅟₁₆	9½-9⅞	15½-16½	11¾-11⅞	2⅞-3¼
One year	13⅝-14	11⅟₁₆-11¹⁵⁄₁₆	10⅜-10¾	8½-8¾	1⅟₁₆-1⅟₁₆	4⅛-4¼	10-10⅜	14½-15½	11⅜-11½	2¾-3⅛

The following nominal rates were quoted for London dollar certificates of deposit: one month 10.60-10.70 per cent; three months 11.15-11.25 per cent; six months 11.60-11.70 per cent; one year 11.20-11.30 per cent.

Long-term Eurodollar deposits: Two years 10⅝-10¾ per cent; three years 10¾-10⅞ per cent; four years 10⁹⁄₁₆-10¹¹⁄₁₆ per cent; five years 10⁹⁄₁₆-10¹¹⁄₁₆ per cent: nominal closing rates. Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two-day call for guilders and Swiss francs. Asian rates are closing rates in Singapore.

U.K. CONVERTIBLE STOCKS 15/12/78

Statistics provided by *data STREAM International*

Name and description	Size (£m.)	Current price	Terms*	Conversion dates	Flat yield	Red. yield	Premium† Current	Premium† Range‡	Income Equ.§	Income Conv.¶	Income Diff.◇	Cheap(+) Dear(−)◇ Current
Associated Paper 9½pc Cv. 85-90	1.40	102.00	200.0	76-79	9.2	8.9	1.0	− 7 to 9	5.3	0.0	− 5.2	− 6.2
Bank of Ireland 10pc Cv. 91-96	1.20	182.00	47.6	77-79	5.6	2.4	− 2.8	− 9 to 3	6.7	4.8	− 1.0	+ 1.8
British Land 12pc Cv. 2002	7.71	166.00	333.3	80-97	7.3	6.6	15.8	10 to 26	0.0	91.6	63.9	+48.1
English Property 6½pc Cv. 98-03	8.07	87.00	234.0	76-79	7.5	7.8	− 3.4	−11 to −1	3.5	0.0	− 3.9	− 0.5
English Property 12pc Cv. 00-05	15.31	90.00	150.0	76-84	13.6	13.8	55.8	40 to 66	26.1	45.2	33.0	−22.8
Hanson Trust 6½pc Cv. 88-93	4.51	79.00	57.1	76-79	8.4	9.3	0.9	− 1 to 8	0.0	0.0	0.0	− 0.9
Hewden-Stuart 7pc Cv. 1995	0.01	380.00	564.5	75-79	1.9		6.9	−10 to 7	5.9	3.4	− 0.7	− 7.5
Slough Estates 10pc Cv. 87-90	5.50	166.00	125.0	78-86	6.0	1.6	11.6	10 to 15	32.9	46.7	9.3	− 2.3
Thorn Electric 5pc Cv. 90-94	10.93	103.00	29.1	75-79	4.8	4.6	− 2.7	− 5 to 3	5.1	2.3	− 2.6	+ 0.1
Tozer, Kemsley 8pc Cv. 1981	0.78	92.00	153.9	74-79	8.8	11.8	22.0	1 to 22	7.1	3.8	− 4.4	−26.4
Ultramar 7pc net R.Cv.Pfd.	14.97	1.33	0.5	76-88	8.1	6.4	14.9	0 to 15	0.0	61.6	53.2	+38.4
Wilkinson Match 10pc Cv. 83-98	11.10	87.00	40.0	76-83	11.4	11.6	20.2	20 to 38	29.6	34.1	6.2	−13.9

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ◇ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◇ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness. − is an indication of relative dearness.

Government success on confidence vote helps markets

Bid speculation intensifies following spate of new offers

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
Nov. 27	Dec. 7	Dec. 8	Dec. 19
Dec. 11	Dec. 28	Dec. 29	Jan. 9
Jan. 2	Jan. 11	Jan. 12	Jan. 23

* "New time" dealings may take place from 9.30 am two business days earlier.

With the Government surviving the confidence vote, some of the recent political uncertainty was removed for the time being from stock markets and yesterday the tone was slightly less pessimistic than of late. Leading equities were already poised for remedial action after having lost ground for four successive days but the ensuing technical recovery was not very convincing despite suggestions that some sizeable investment orders had been completed in the early business.

Nevertheless, after its fall of 13.4 since last Friday, the FT Industrial Ordinary share index yesterday regained 3.1 when closing at 481.0 and looked set to extend the movement on Monday providing there are no untoward events over the weekend. The steadier trend was assisted by the closing of bear positions, while speculation in possible bid situations increased following new offers which included City Hotels, Stanley Gibbons and Leisure Caravan Parks.

The effect of seasonal influences on general trade, however, was again apparent with the number of bargains marked, at 3,520, among the lowest for 12 months. Sentiment was undisturbed by the November retail prices indices and the indication that the rate of inflation marginally increased over the month.

The Irish decision to join the European Monetary System affected sentiment in Irish-Canadian mining issues, but few other stocks. In contrast, investment currency dealings became sensitive and confused on the accompanying statement that Ireland would like to preserve its links with sterling. For a while, rates were widened considerably by most dealers, but trading was at no time suspended and the premium fluctuated between 74 and 78 per cent before settling at 77 per cent for a net rise of ¼. Yesterday's SE conversion factor was 0.7404 (0.7332).

British Funds opened slightly firmer despite Thursday's uninspiring trade returns for November and edged further forward as buyers cast aside their recent reservations. Once again, the lion's share of the business was directed at the shorter maturities which, after recording gains extending to ¼, closed a maximum of ⅛ higher. The mediums and longs generally ended ¼ dearer with the exception of Funding 5½ per cent 1982-84, up ⅜ at 80⅞.

Activity in the Traded Options market remained at a low level, although the total number of deals at 322 was a slight improvement on the previous day. The week's total of 2,015, however, was the lowest since the week ending July 7 and the third smallest since dealings began last April. Interest yesterday centred around ICI which recorded 95 transactions.

Milletts Leisure Shops, which staged a successful debut on Wednesday, pushed up another 5 to 125p compared with the offer for sale price of 110p.

Home Banks better

The major clearing banks edged higher. Lloyds firmed 6 to 286p, Barclays 5 to 370p, NatWest 4 to 286p and Midland a couple of pence to 362p.

Insurances adopted a quietly firm stance. Rises of 6 were marked against Royals, 361p, and Sun Alliance, 512p, while Phoenix added 4 to 238p and General Accident 2 to 210p.

The Brewery sector was dominated by Arthur Guinness, 5 better at 162p following final results which exceeded market expectations. Bass Charrington, at 173p, added 2 to the previous day's rise of 4 which reflected its good results. Elsewhere, trading was quiet and a further selection of trading statements had little effect on a slack market. Greene King closed unchanged at 300p after the increased interim profits and dividend, as did Eldridge Pope, 220p, and Hardys and Hansons, 177p, after their respective statements.

Tunnel "B" became active and firm in Buildings, rising to 335p before settling 18 up on balance at 324p on revived speculation about the possible sale of T. W. Ward's 26.6 per cent stake in the company; Ward's shares improved 2¼ to 81. Leigh Interests, on its trading links with Tunnel through the development of the Sealosafe system, held a sympathetic rise of 5 at 128p. The flurry of bid activity elsewhere in the market directed attention towards Johnson-Richards Tiles which put on 4 to 101p; the interim results are due January 10. Further consideration of the preliminary results lifted Nottingham Brick 8 to 330p for a rise of 18 since Wednesday's announcement, and second thoughts about the increased interim profits left Heywood Williams 3 better at 151p. Southern Constructions found fresh support and firmed ½ to 10½p.

ICI traded quietly and closed 2 up at 370p, still a net 10 down on the week.

Suspended on Wednesday at 309p, dealings were resumed in Alginate which opened at 375p before reacting to 365p prior to closing at 370p, or 15 below the 385p agreed cash bid from Merck Incorporated.

Store leaders hardened a fraction although business was generally at a low ebb. Gussies "A" picked up a couple of pence to 314p, while Burton "A" rallied 3 to 177p. Among secondary issues, Time Products firmed 4 to 188p and Martin Ford put on a penny to 39p, the latter following vague talk of a possible 52p per share offer. Polly Peck closed unchanged at 9½p following the reduced trading loss at the half-time stage. K Shoes improved afresh after the recent good annual results and put on 3 to a 1978 peak of 86p.

Both Electronic Rentals and Lloyds and Scottish made a good showing with rises of 6 to 144p and 10 to 112p respectively following good results from each company and the announcement of the £61m deal in which Lloyds and Scottish is selling to Electronic Rentals its television rental and relay interests in BRW Group. EMI became a steadier market at 142p, up a penny, after Thursday's loss of 7 on the group's warning about continuing difficulties facing its scanner business. Other leading Electricals ended barely changed, but United Scientific, which on Thursday fell 10 to 250p on nervous selling ahead of the preliminary statement, gave further ground to 245p in front of the statement yesterday before rebounding on it to 262p for a net rise on the day of 12. Elsewhere, Whitworth Electric rose 3 to 22p and, helped by Press comment, Dewhurst and Partner hardened ½ to 14½p.

Noteworthy movements in the Engineering sector were mainly in response to company trading statements. Among the dull spots, Sutcliffe Speakman fell 5 to 49p on the second-half profit warning, while lower interim profits left Mitchell Somers 5½ cheaper at 45p and Braham Miller a similar amount down at 30p. Disappointing annual figures prompted a late reaction of 7 to 160p in Hunslet Holdings. In contrast the good interim statement prompted a gain of 2 to 37p in Kennedy Smale. Elsewhere, revived demand in a restricted market lifted Bullough 4 to 175p. Press mention stimulated Castings, 53p, and United Spring, 28p, up a penny apiece. Leading issues to edge a little higher included GKN, up 2 at 255p, and Vickers, a similar amount firmer at 196p.

Leading Foods held steady to firm with Tate and Lyle 4 better at 182p and Spillers a penny up at 31p. Elsewhere, Carr's Milling firmed 2 to 66p in response to the annual results, but Tavener Rutledge succumbed to small scrappy selling and fell 4 to a 1978 low of 66p. On the proposed management contract and share deal with Gulliver Foods, Louis C. Edwards reacted ½ to 21p, after early progress to 23p. Still reflecting the first-half profits recovery and return to the dividend list, Barker and Dobson added ¾ to 14¾p for a rise of 2¼ since the announcement.

Following the bid terms from Comfort International, ½ cheaper at 26½p, dealings were resumed in City Hotels at 178p and, the shares closed at that level as against Thursday's suspension price of 126p. Speculative activity continued in Rowton Hotels which added 4 for a two-day gain of 7 at 153p, while Prince of Wales firmed 3 to 92p.

Trading in the miscellaneous Industrial leaders was extremely quiet, but the tendency was towards slightly higher levels. Beecham rallied to 617p before settling at 615p, up 3, while rises of a similar amount were recorded in Glaxo, 525p, and Metal Box, 308p. Following news of agreed cash and share exchange offer from Letraset, dealings resumed in S. Gibbons which touched 300p before settling at 298p compared with the suspension price of 228p; Letraset eased a penny to 130p. Dealings also re-started in Leisure Caravans, at 141p against the suspension price of 112½p, after the announcement of an agreed cash bid worth 143p per share from Rank Organisation, unaltered at 246p. Still reflecting the £4.5m National Coal Board contract, Sketchley firmed 2 for a two-day gain of 9 to 138p, while British Vita hardened a penny to 116p following Press comment on the possibility of a larger than normal increase in the dividend payment. Following news that Barnett Christie had been placed in provisional liquidation, Oceana Holdings fell away from 6p to 3p at which level the quotation was suspended.

An idle day's trading in Motors left most issues closing around the overnight levels. Among Distributors, Caffyns rallied 3 to 106p after the improved first-half results. In components, Dowty reacted 3 for a loss on the week of 15 at 264p on diminishing takeover hopes. Associated Engineering shed 2 for a two-day fall of 4 at 115p on the full-year profits setback. Dunlop, 66p and Lucas, 300p, both advanced 2 with the general trend.

W. N. Sharpe featured publishers, dropping 14 to 143p on profit-taking following recent firmness, John Waddington, with the interim stateement due on December 29, lost 6 to 105p on small selling. Speculative counter Mills and Allen met renewed interest and put on 10 to 232p despite recent Press comment discounting a possible bid.

The anticipated rejection of Wereldhave's 37p cash per share bid for English Property left the latter unmoved at 39p: Eagle Star, with a 27.2 per cent stake in EP, firmed 2 to 136p. Elsewhere in Properties, Peachey encountered fresh support and put on 3 to 92p and, in a thin market, Percy Bilton added 6 to 186p. London Provincial Shop advanced 7 to a high for the year of 148p on speculative interest, while buyers came in for Berkeley Hambro which firmed 5 to 153p and Hammerson A which improved 10 to 628p. The reduced pre-tax loss lifted Regalian a penny to 24p, after 25p. Australian Van Diemans Land A returned from suspension at 600p compared with the suspension price of 540p following the cash offer of a sterling equivalent of about 480p each for around 60,000 of the shares from Liechtenstein-based Ofag A.G.

Oils remained extremely quiet and fluctuated narrowly around overnight levels before ending little changed on balance. British Petroleum touched 922p before closing unaltered on the day at 926p, but Shell managed to improve 4 to 580p. Among secondary issues, Burmah edged up 1 to 83p, while Ultramar put on 2 to 222p.

Scattered offerings left Trusts a few pence easier in places. London and Montrose eased 2 to 182p.

Trade was at a low ebb in Shippings, but P & O deferred edged up 2 to 83p, while buying interest was shown in Lofs which firmed 2½ to 40½p.

David Dixon became prominent at 110p, up 9, on an unconfirmed report that the chairman had disposed of over 20 per cent of the equity capital. Tricoville responded to an investment recommendation and rose 2 to 80p. Courtaulds also closed firmer, hardening 2 to 132p.

Irish-Canadians fall

News that the Republic of Ireland is to enter the European Monetary System gave rise to uncertainty about the rights of Irish holders of Canadian-registered stocks in respect of their entitlement to the investment currency premium. The doubts prompted a welter of selling of the Canadian issues, notably the Northgate group of companies.

Westfield Minerals, which recently trebled in price following a possible uranium find in Newfoundland, were the worst affected and collapsed to 210p prior to closing 55 down on balance at 240p, while Northgate Exploration dropped 30 to 360p and Anglo United Development 16 to 168p. Outside the Northgate group, Sabina Industries fell 4 to 40p and Barymin 3 to 33p.

Otherwise, mining markets spent a quiet trading session with overseas-based stocks losing ground.

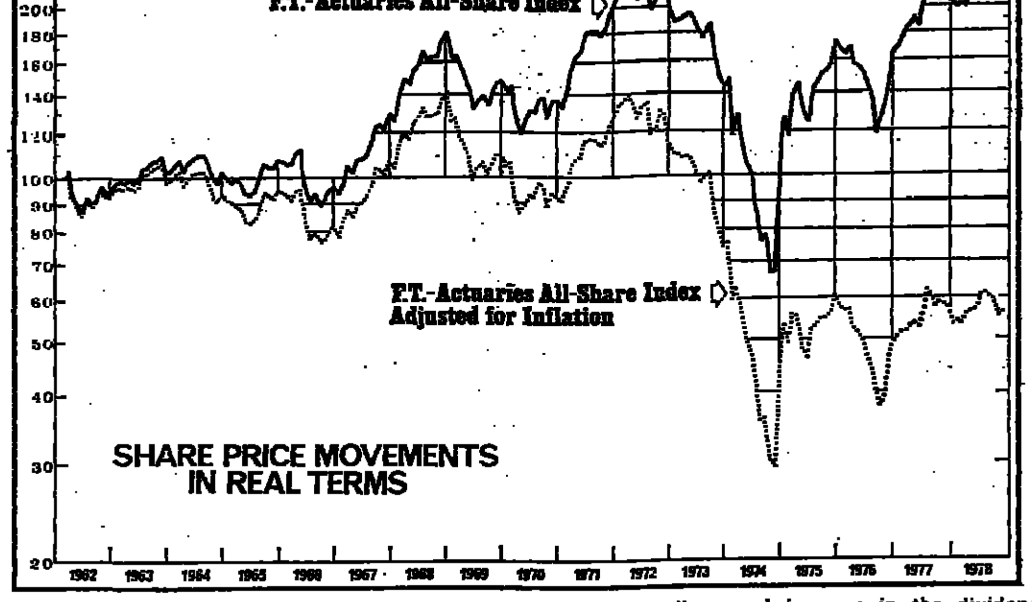
South African Gold shares failed to reflect the $3.25 rise in the bullion price to $207.125 per ounce for a week's improvement of $4.75 in front of next Tuesday's U.S. Treasury gold auction of 1.5m ounces.

Activity in the share market stayed at minimal levels with prices modestly easier on balance. The Gold Mines index lost 1.2 to 130.7 while the ex-premium index hardened 0.1 to 96.8.

A lone firm spot in Australians was provided by Poseidon which rose 4 to 54p; trading in the shares, which were suspended in October 1976 at 75p, resumed on Thursday when they traded up to 58p.

Among diamond exploration issues, Andimco were quoted at 45p following news that the company has recovered 10 diamonds with a total weight of 3.5 carats from the treatment of the upper layers of Winze No. 5 at its Copeton prospect in New South Wales.

Elsewhere, Yukon Consolidated were unaltered at 165p but remained 25 up on the week following the merger proposal from Teck Corporation.



FINANCIAL TIMES STOCK INDICES

	Dec. 15	Dec. 14	Dec. 13	Dec. 12	Dec. 11	Dec. 8	A year ago
Government Secs.	68.80	68.60	68.72	68.88	69.01	68.97	78.82
Fixed Interest	70.17	70.03	70.11	70.24	70.26	70.37	79.36
Industrial	481.0	477.9	480.7	485.4	492.3	494.4	471.9
Gold Mines	130.7	131.9	133.9	135.5	139.7	134.4	139.8
Gold Mines (Ex-$ pm.)	96.8	96.7	97.4	98.6	100.1	97.2	100.9
Ord. Div. Yield	6.00	6.03	6.00	5.95	5.87	5.85	5.68
Earnings, Y'ld % (full)	15.86	15.92	15.85	15.70	15.49	15.46	17.14
P/E Ratio (net) (*)	8.19	8.15	8.10	8.27	8.38	8.40	8.29
Dealings marked	3,520	3,944	4,170	4,102	4,519	4,316	3,589
Equity turnover £m.	—	60.10	72.82	86.17	67.59	97.93	59.60
Equity bargains total	—	13,559	14,659	14,664	16,425	15,395	8,488

10 am 478.3. 11 am 480.5. Noon 480.8. 1 pm 481.7. 2 pm 481.7. 3 pm 481.5.
Latest Index 01-236 8026.
*Nil=7.94.
Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. 1/7/35. Gold Mines 12/9/55. Ex-$ pm index started June 1972. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1978 High	1978 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	78.58 (3/1)	67.92 (10/11)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	81.27 (9/1)	69.30 (13/11)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	535.5 (14/9)	433.4 (2/3)	549.2 (14/9/77)	49.4 (26/6/40)
Gold Mines	206.6 (14/8)	124.1 (29/11)	442.3 (22/5/75)	43.5 (26/10/71)
Gold Mines (Ex-$ pm.)	132.3 (14/8)	90.3 (18/4)	337.1 (3/4/74)	54.3 (25/6/76)

S.E. ACTIVITY

	Dec. 15	Dec. 14
—Daily		
Gilt Edged	118.0	152.2
Industrials	126.5	136.1
Speculative	25.1	33.3
Totals	90.7	89.8
5-day Average		
Gilt Edged	147.5	155.5
Industrials	142.5	146.0
Speculative	27.0	30.4
Totals	92.7	95.5

OPTIONS

DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Dec. 5	Dec. 18	Mar. 8	Mar. 20
Dec. 19	Jan. 8	Mar. 22	Apr. 3
Jan. 9	Jan. 22	Apr. 5	Apr. 18

For rate indications see end of Share Information Service

Stocks favoured for the call included Birmid Qualcast, Queen's Moat Houses, London and Northern, Capital and Counties, Averys, Reed International, English Property, Tunnel Holdings, Ladbroke Warrants, De Vere Hotels, Talbex, Burmah Oil, Vaux, Grand Met. and Streeters of Godalming. No puts were reported although double options were completed in Lonrho and English Property.

NEW HIGHS AND LOWS FOR 1978

The following securities quoted by the Share Information Service yesterday attained new Highs and Lows for 1978.

NEW HIGHS (33)

BANKS (2)
Fraser Ansbacher — Lloyds & Scottish
BEERS (1)
Bass Charrington
BUILDINGS (2)
Nottingham Brick — Tunnel B
CHEMICALS (2)
Alginate Inds. — British Benzol
STORES (1)
Ford (M.)
ENGINEERING (1)
Castings
HOTELS (1)
City Hotels
INDUSTRIALS (9)
Caplan Profile — Phillips Patents
Gibbons (S.) — Sketchley
Hamilborne — Toothill (R. W.)
Lawtex — Toye
Leisure Caravans
LEISURE (1)
Webb (J.)
NEWSPAPERS (1)
Independent
PROPERTY (6)
Berkeley Hambro — Intereuropean
Bradford Prop. — Lond. & Provl. Shop
County & District — Peachey
SHIPPING (1)
Lond. O'seas Frghtrs.
SHOES (1)
K Shoes
TEXTILES (2)
Sirdar — Textured Jersey
TRUSTS (2)
K flock — Kellock Conv. Ln.

NEW LOWS (12)

AMERICANS (2)
Brunswick Corp. — Chrysler
CANADIANS (1)
Massey-Ferguson
BUILDINGS (1)
Jarvis (J.)
ELECTRICALS (1)
Laurence Scott
ENGINEERING (2)
British Northrop — Mitchell Somers
FOODS (1)
Tavener Rutledge
INDUSTRIALS (3)
Bestobell — Monsanto 5pc 1982-86
Franklin Mint
TRUSTS (1)
Dolomwella

RISES AND FALLS

	Yesterday Up	Yesterday Down	Yesterday Same	On the week Up	On the week Down	On the week Same
British Funds	71	2	5	92	209	89
Corporations, Dom. & Foreign Bonds	11	3	47	29	43	233
Industrials	274	245	1,009	1,173	1,743	4,727
Financial and Property	78	121	313	338	684	1,538
Oils	7	9	21	23	45	117
Plantation	1	5	26	25	19	116
Mines	11	70	59	132	278	290
Recent Issues	9	2	18	28	31	82
Totals	462	457	1,498	1,840	3,052	7,192

ACTIVE STOCKS

YESTERDAY—

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1978 high	1978 low
Lloyds & Scottish	20p	12	112	+10	112	83
Metal Box 'New'	Nil/pd.	11	58pm	+ 4	70pm	54pm
United Scientific	25p	11	262	+12	382	226
BP	£1	9	926	—	954	720
Shell Transport	25p	9	580	+ 4	602	484
Barclays Bank	£1	8	370	+ 5	372	296
GKN	£1	8	255	+ 2	298	248
ICI	£1	8	370	+ 2	421	328
BAT Inds.	25p	7	287	—	346	260
Royal Insurance	25p	7	361	+ 6	425	336
Electronic Rentals	10p	6	144	+ 6	145	106
GEC	25p	6	335	+ 1	349	233
Glaxo	50p	6	525	+ 3	648	515
Marks & Spencer	25p	6	86	+ 1	94	67½
Rank Org.	25p	6	246	—	296	226

The above list of active stocks is based on the number of bargains recorded yesterday in the Official List and under Rule 163(1) (e) and reproduced today in Stock Exchange dealings.

ON THE WEEK—

Stock	Denomination	No. of marks	Closing price (p)	Change on week	1978 high	1978 low
Metal Box 'New'	Nil/pd.	59	58pm	− 4	70pm	54pm
BP	£1	54	926	−14	954	720
ICI	£1	49	370	−10	421	328
Beecham	25p	41	615	−22	726	581
Shell Transport	25p	40	580	− 4	602	484
BATs Defd.	25p	38	255	− 2	304	227
Barclays Bank	£1	38	370	—	372	296
Marks & Spencer	25p	37	86	− 3	94	67½
Burmah Oil	£1	36	83	+ 5	89	42
Distillers	50p	36	204	+ 1	215	163
GKN	£1	35	255	− 8	298	248
Lucas Inds.	£1	33	300	−10	336	240
Glaxo	50p	32	525	− 5	648	515
GEC	25p	31	335	− 3	349	233
EMI	50p	30	142	+ 1	190	130

BASE LENDING RATES

A.B.N. Bank	12½%	■ Hambros Bank	12½%
Allied Irish Banks Ltd.	12½%	■ Hill Samuel	§12½%
American Express Bk.	12½%	C. Hoare & Co.	†12½%
Amro Bank	12½%	Julian S. Hodge	13½%
A P Bank Ltd.	12½%	Hongkong & Shanghai	12½%
Henry Ansbacher	12½%	Industrial Bk. of Scot.	12½%
Associates Cap. Corp.	12½%	Keyser Ullmann	12½%
Banco de Bilbao	12½%	Knowsley & Co. Ltd.	14½%
Bank of Credit & Cmce.	12½%	Lloyds Bank	12½%
Bank of Cyprus	12½%	London Mercantile	12½%
Bank of N.S.W.	12½%	Edward Manson & Co.	13½%
Banque Belge Ltd.	12½%	Midland Bank	12½%
Banque du Rhone et de la Tamise S.A.	13 %	■ Samuel Montagu	12½%
Barclays Bank	12½%	■ Morgan Grenfell	12½%
Barnett Christie Ltd.	13½%	National Westminster	12½%
Bremar Holdings Ltd.	13½%	Norwich General Trust	12½%
Brit. Bank of Mid. East	12½%	P. S. Refson & Co.	12½%
■ Brown Shipley	12½%	Rossminster	12½%
Canada Perm't Trust	12½%	Royal Bk. Canada Trust	12½%
Cayzer Ltd.	12½%	Schlesinger Limited	12½%
Cedar Holdings	12½%	E. S. Schwab	13½%
■ Charterhouse Japhet	12½%	Security Trust Co. Ltd.	13½%
Choulartons	12½%	Shenley Trust	14 %
C. E. Coates	12½%	Standard Chartered	12½%
Consolidated Credits	12½%	Trade Dev. Bank	12½%
Co-operative Bank	*12½%	Trustee Savings Bank	12½%
Corinthian Securities	12½%	Twentieth Century Bk.	13½%
Credit Lyonnais	12½%	United Bank of Kuwait	12½%
Duncan Lawrie	12½%	Whiteaway Laidlaw	13 %
The Cyprus Popular Bk.	12½%	Williams & Glyn's	12½%
Eagil Trust	12½%	Yorkshire Bank	12½%
English Transcont.	12½%		
First Nat. Fin. Corp.	14 %		
First Nat. Secs. Ltd.	14 %		
■ Antony Gibbs	12½%		
Greyhound Guaranty	12½%		
Grindlays Bank	12½%		
■ Guinness Mahon	12½%		

■ Members of the Accepting Houses Committee.
* 7-day deposits 10%, 1-month deposits 10½%.
† 7-day deposits on sums of £10,000 and under 10%, up to £25,000 10½%, and over £25,000 10¾%.
‡ Call deposits over £1,000 10%.
§ Demand deposits 10%.

LONDON TRADED OPTIONS

Option	Ex'rc'se price	January Closing offer	January Vol.	April Closing offer	April Vol.	July Closing offer	July Vol.	Equity close
BP	1000	3	8	17	—	37	—	925p
Com Union	140	9	8	13	—	19	—	146p
Com Union	160	1½	10	4½	8	9	—	,,
Cons Gold	200	1½	1	6	—	10	—	178p
GEC	300	38	—	52	32	62	..	335p
GEC	360	3	—	16	10	30	13	,,
Grand Met.	120	8¼	38	5½	—	8	—	114p
ICI	330	46	4	49	—	—	—	370p
ICI	360	19	25	26	28	40	—	,,
ICI	390	4½	8	12	15	22	—	,,
ICI	420	¾	—	4½	5	13	10	,,
Land Secs	240	10	7	20	—	26	—	244p
Land Secs	260	1½	30	9½	4	16	—	,,
Marks & Sp	80	8½	—	12½	5	15	—	86p
Marks & Sp	90	3½	—	6	—	10	30	,,
Shell	550	32	2	52	—	60	6	579p
Shell	600	6	4	21	1	30	—	,,
Totals			139		108		59	
		February		**May**		**August**		
EMI	140	11	—	17	10	20	3	141p
EMI	160	3	3	8	—	12	—	,,
Totals			3		10		3	

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid up	Latest Renunc. Date	1978 High	1978 Low	Stock	Closing Price p	+ or −	Div. Amount	Times Covered	Gross Yield	P.E. Ratio
42½	..	24/11	43	43	Arncliffe Hldgs.	44		2.55	4.8	8.7	7.1
A$0.50	[illegible]	—	76	61	Ashton Mining 50c	75	....				
A$1.25	F.P.	—	105	101	‡†Aust. Farming A$1	102		—	—	—	—
155	F.P.	10/1	176	171	Harris Queensway 20p	176	+5	†7.8	3.1	6.6	7.5
‡‡	F.P.	—	16½	15	Hunt & Moscrop Defd.	15		—	—	—	—
29		5/1	..	..	Kitchen Queen 10p	29½	−½	1.34	5.4	6.8	4.9
110	F.P.	—	125	116	Milletts Leis're Shps 20p	125	+5	4/5.7	1.83	6.8	12.0

FIXED INTEREST STOCKS

Issue Price	Amount Paid up	Latest Renunc. Date	1978 High	1978 Low	Stock	Closing Price	+ or −
£99⅝	..	—	99⅝	99½	Anglesey Variable 1985	99⅝	...
•	£10	26/1	13	11¼	Colne Valley Water 8% Red. P. Prf. 1983	13	
£1		16/11	130	101	Crosby House 10% Conv. '77-80	120	+1
100p	Nil	28/12	½pm	¼pm	Findlay 8% Cnv. Cum Red. Prf.	¼pm	..
100p	Nil	5/1	5pm	2pm	Hawley-Goodall 12% Cnv. Uns. Ln. '86-87	5pm	..
£1		22/12	99p	98p	Newman Inds. 10¼% Nev. Pref.	98p	....
•	£10		15¼	15	Mid Kent Water 8% Pref. 1984	15¼	
£97½	F.P.	25/1	97	96½	Rickmansworth & Uxbridge Water [illegible] '85	96⅝	
97p	F.P.	5/1	99p	98p	Streeters 10½% Pref.	99p	

"RIGHTS" OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Date ●	Latest Renunc. Date ■	1978 High	1978 Low	Stock	Closing Price p	+ or −
[illegible]	F.P.	8/12	12/1	645	565	Beecham	625	+5
17	F.P.	15/12	26/1	20¼	19½	Boulton (Wm.)	19½	
[illegible]	F.P.	[illegible]	22/12	414	356	Brown (J.)	376	....
67	F.P.	29/11	5/1	77	71	Capper-Neill	72	+1
105	F.P.	15/12	12/1	115	107	Cattle's (Hldgs.)	111	
93	F.P.	15/12	12/1	110	101	[illegible]	110	+8
45	Nil	5/1	9/2	3pm	2pm	Foster (John)	3pm	
	F.P.	6/12	12/1	147	140	[illegible] & Horton	145	+3
125	Nil	15/12	12/1	36pm	23pm	M.L. Holdings	29pm	......
250	Nil	5/1	9/2	70pm	54pm	Metal Box	58pm	+4
185	F.P.	18/12	10/1	230	210	Stothert & Pitt	228	+5
62	F.P.	18/12	15/1	76	67	Tern Consulate	73	−1

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. g Assumed dividend and yield. u Forecast dividend; cover based on previous year's earnings. r Dividend and yield based on prospectus or other official estimates for 1979. Q Gross. † Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. pt Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS and SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Fri., Dec. 15, 1978 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 33%)	Est. P/E Ratio (Net)	Thur., Dec. 14 Index No.	Wed., Dec. 13 Index No.	Tues., Dec. 12 Index No.	Mon., Dec. 11 Index No.	Year ago (approx.) Index No.	1978 High	1978 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (172)	236.17	+0.4	16.94	5.50	8.09	235.30	236.54	239.63	241.91	201.50	256.28 (14/9)	[illegible]	[illegible]	[illegible]
2	Building Materials (27)	205.58	+0.7	18.26	6.28	7.53	204.24	205.15	209.10	210.92	184.00	226.68 (22/8)	166.30	[illegible]	[illegible]
3	Contracting, Construction (28)	370.21	+0.4	20.53	4.38	7.00	368.84	372.49	380.30	384.89	321.94	419.51 (14/9)	[illegible]	[illegible]	[illegible]
4	Electricals (15)	558.19	+0.3	13.43	3.40	10.25	556.73	558.58	564.97	570.67	441.47	583.72 (10/10)	404.47	[illegible]	[illegible]
5	Engineering Contractors (14)	364.90	—	17.87	5.91	7.61	365.07	366.63	370.56	372.32	285.38	384.53 (18/9)	[illegible]	[illegible]	[illegible]
6	Mechanical Engineering (72)	183.28	+0.2	18.40	6.13	7.25	182.86	184.11	186.23	187.79	156.10	204.75 (14/9)	149.87	[illegible]	[illegible]
8	Metals and Metal Forming (16)	162.47	+0.7	16.82	8.80	8.26	161.27	161.99	162.95	165.05	156.44	182.91 (18/9)	[illegible]	[illegible]	[illegible]
	CONSUMER GOODS														
11	(DURABLE) (53)	210.18	+0.2	16.76	5.10	7.96	209.86	210.65	213.18	215.70	185.20	226.55 (13/9)	173.63	[illegible]	[illegible]
12	Lt. Electronics, Radio, TV (16)	264.78	+0.1	14.07	3.88	9.96	264.63	265.38	269.27	272.45	220.86	280.21 (13/9)	209.07	[illegible]	[illegible]
13	Household Goods (12)	168.58	−0.3	17.92	6.77	7.66	169.06	169.21	171.04	171.90	178.42	190.17 (14/9)	160.54	[illegible]	[illegible]
14	Motors and Distributors (25)	122.12	+0.4	21.25	6.90	5.90	121.61	122.34	123.27	124.92	112.93	135.65 (22/8)	104.68	[illegible]	[illegible]
	CONSUMER GOODS														
21	(NON-DURABLE) (171)	210.47	+0.5	16.10	6.03	8.27	209.47	209.79	212.31	214.08	196.48	228.23 (14/9)	179.46	[illegible]	[illegible]
22	Breweries (14)	233.42	+0.4	15.69	6.38	8.02	232.51	232.04	234.57	235.19	223.07	241.57 (8/5)	204.04	[illegible]	[illegible]
23	Wines and Spirits (6)	298.34	+0.4	16.11	5.17	9.12	287.14	282.64	285.98	289.52	236.42	301.24 (14/9)	229.85	[illegible]	[illegible]
24	Entertainment, Catering (17)	271.23	+0.8	13.67	6.49	10.67	269.20	272.04	274.56	276.77	243.25	281.53 (14/9)	219.62	[illegible]	[illegible]
25	Food Manufacturing (19)	203.06	+0.6	18.71	5.54	7.11	201.81	202.69	206.30	208.73	198.72	223.85 (14/9)	175.37	[illegible]	[illegible]
26	Food Retailing (15)	228.08	+0.5	13.73	5.19	10.19	227.05	226.71	229.65	233.29	204.85	237.92 (14/9)	176.53	[illegible]	[illegible]
32	Newspapers, Publishing (12)	376.31	−0.3	21.37	6.45	6.60	377.54	378.23	379.66	379.21	329.15	421.75 (14/9)	269.59	[illegible]	[illegible]
33	Packaging and Paper (15)	132.25	+0.6	19.27	7.96	6.77	131.42	132.12	132.99	134.31	123.66	155.65 (14/9)	119.11	[illegible]	[illegible]
34	Stores (40)	196.00	+0.4	11.98	4.82	12.01	195.14	195.36	197.66	199.08	188.43	218.54 (13/9)	165.17	[illegible]	[illegible]
35	Textiles (24)	182.81	+0.7	17.54	7.98	7.38	181.46	182.38	183.32	184.20	167.77	191.90 (12/5)	160.85	[illegible]	[illegible]
36	Tobaccos (3)	236.59	−0.2	23.45	7.93	5.04	236.00	236.50	240.09	242.03	214.40	266.50 (23/8)	214.88	[illegible]	[illegible]
37	Toys and Games (6)	92.78	−1.3	23.79	6.97	4.96	93.99	93.45	94.47	95.38	98.54	125.21 (14/9)	90.12	[illegible]	[illegible]
41	OTHER GROUPS (99)	196.77	+0.5	15.91	6.30	8.06	195.85	196.51	199.27	201.04	190.34	223.24 (14/9)	173.08	[illegible]	[illegible]
42	Chemicals (19)	280.79	+0.6	16.29	6.73	7.99	279.20	279.96	283.20	285.46	259.50	315.28 (14/9)	238.69	[illegible]	[illegible]
43	Pharmaceutical Products (7)	243.80	+0.5	11.38	4.77	10.64	242.60	243.08	247.48	250.55	0.00	291.13 (14/9)	228.41	[illegible]	[illegible]
44	Office Equipment (6)	128.07	−0.1	18.97	5.95	6.28	128.17	129.35	132.29	133.45	123.69	150.75 (13/9)	117.48	[illegible]	[illegible]
45	Shipping (10)	412.13	+0.8	14.68	7.38	8.64	408.91	407.88	410.56	417.20	448.95	483.01 (6/1)	393.90	[illegible]	[illegible]
46	Miscellaneous (57)	213.19	+0.4	17.99	6.68	7.34	212.35	213.35	216.29	217.62	198.75	236.56 (14/9)	178.47	[illegible]	[illegible]
49	INDUSTRIAL GROUP (495)	220.27	+0.4	16.32	5.89	8.15	219.34	220.02	222.83	224.84	202.13	241.43 (14/9)	186.02	[illegible]	[illegible]
51	Oils (5)	518.61	+0.3	13.47	3.88	8.06	516.95	517.02	516.43	519.05	474.42	533.26 (6/12)	417.98	[illegible]	[illegible]
59	500 SHARE INDEX	244.99	+0.4	15.88	5.58	8.14	244.00	244.64	247.24	249.33	224.68	265.03 (14/9)	205.42	[illegible]	[illegible]
61	FINANCIAL GROUP (100)	169.93	+1.0	—	5.80	—	168.22	168.47	170.55	171.92	166.15	179.59 (9/8)	153.25	[illegible]	[illegible]
62	Banks (6)	200.42	+1.4	23.51	5.68	6.38	197.64	196.48	199.79	202.21	186.16	204.36 (23/1)	171.58	[illegible]	[illegible]
63	Discount Houses (10)	215.65	−0.6	—	8.21	—	216.92	218.28	218.14	217.48	209.48	228.33 (4/1)	185.20	[illegible]	[illegible]
64	Hire Purchase (5)	165.81	+6.3	14.69	4.99	8.98	156.00	155.26	159.13	155.78	163.96	170.55 (12/1)	136.39	[illegible]	[illegible]
65	Insurance (Life) (10)	135.31	+1.0	—	6.94	—	133.91	135.35	136.62	138.73	135.93	157.59 (9/8)	124.97	[illegible]	[illegible]
66	Insurance (Composite) (7)	124.06	+1.2	—	7.07	—	122.64	123.13	125.40	126.89	131.55	145.46 (6/1)	115.15	[illegible]	[illegible]
67	Insurance Brokers (10)	313.17	+0.3	15.27	5.37	9.35	312.29	313.78	314.66	317.72	332.52	372.27 (13/8)	301.20	[illegible]	[illegible]
68	Merchant Banks (14)	77.99	+0.1	—	6.28	—	77.92	78.34	79.19	79.09	80.83	87.48 (15/9)	71.00	[illegible]	[illegible]
69	Property (31)	267.27	+0.5	3.73	3.04	43.85	266.02	266.30	268.33	268.61	230.80	268.78 (21/9)	210.03	[illegible]	[illegible]
70	Miscellaneous (7)	111.56	—	22.68	7.62	5.71	111.56	112.46	111.71	111.23	104.36	117.64 (23/8)	99.61	[illegible]	[illegible]
71	Investment Trusts (50)	206.75	−0.2	—	5.09	—	207.25	208.67	211.45	211.71	203.32	243.92 (18/8)	176.48	[illegible]	[illegible]
81	Mining Finance (4)	103.41	+0.3	18.18	6.89	6.78	103.05	102.72	104.73	103.04	88.55	115.20 (12/9)	85.39	[illegible]	[illegible]
91	Overseas Traders (19)	298.13	—	16.46	7.86	7.61	298.13	300.20	301.91	301.38	277.48	337.68 (8/9)	262.26	[illegible]	[illegible]
99	ALL-SHARE INDEX (673)	224.33	+0.5	—	5.67	—	223.28	223.87	226.35	228.02	208.25	242.30 (14/9)	191.15	[illegible]	[illegible]

FIXED INTEREST PRICE INDICES

	British Government	Fri., Dec. 15	Day's change %	xd adj. To-day	xd adj. 1978 to date
1	Under 5 years	102.91	+0.16	—	9.19
2	5-15 years	111.24	+0.31	—	10.45
3	Over 15 years	116.83	+0.30	0.27	13.06
4	Irredeemables	123.09	+0.61	—	13.54
5	All stocks	109.83	+0.25	0.09	10.99

FIXED INTEREST YIELDS Br. Govt. Av. Gross Red.

			Fri., Dec. 15	Thur., Dec. 14	Year ago (approx.)	1978 Highs	1978 Lows
1	Low Coupons	5 years	9.65	9.68	7.24	[illegible]	[illegible]
2		15 years	11.40	11.44	9.41	[illegible]	[illegible]
3		25 years	12.15	12.19	10.18	[illegible]	[illegible]
4	Medium Coupons	5 years	12.60	12.63	9.68	[illegible]	[illegible]
5		15 years	12.67	12.71	10.51	[illegible]	[illegible]
6		25 years	12.67	12.71	10.66	[illegible]	[illegible]
7	High Coupons	5 years	12.61	12.66	10.27	[illegible]	[illegible]
8		15 years	13.25	13.27	11.43	[illegible]	[illegible]
9		25 years	13.28	13.31	11.48	[illegible]	[illegible]
10	Irredeemables		11.94	12.07	10.14	[illegible]	[illegible]

	Fri. Dec. 15 Index No.	Fri. Dec. 15 Yield %	Thur. Dec. 14	Wed. Dec. 13	Tues. Dec. 12	Mon. Dec. 11	Fri. Dec. 8	Thur. Dec. 7	Wed. Dec. 6	Year ago (approx.)	1978 Highs	1978 Lows
15 20-yr. Red. Deb. & Loans (15)	56.13	13.46	56.09	56.09	56.09	56.09	56.09	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
16 Investment Trust Prefs. (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
17 Coml. and Indl. Prefs. (20)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Section or Group	Base Date	Base Value	Section or Group	Base Date	Base Value
Pharmaceutical Products	30/12/77	[illegible]	Office Equipment	[illegible]	[illegible]
Other Groups	31/12/74	[illegible]	Industrial Group	31/12/70	[illegible]
Overseas Traders	31/12/74	[illegible]	Miscellaneous Financial	31/12/70	[illegible]
Engineering Contractors	31/12/71	[illegible]	Food Manufacturing	29/12/67	[illegible]
Mechanical Engineering	31/12/71	[illegible]	Food Retailing	29/12/67	[illegible]
Wines and Spirits	10/1/70	[illegible]	Insurance Brokers	29/12/67	[illegible]
Toys and Games	16/1/70	[illegible]	Mining Finance	29/12/67	[illegible]
			All Other	10/4/62	[illegible]

† Redemption yield. A list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, [illegible]

هكذا من الأصل

AUTHORISED UNIT TRUSTS

OFFSHORE AND OVERSEAS FUNDS

INSURANCE AND PROPERTY BONDS

CORAL INDEX: Close 478-483

INSURANCE BASE RATES

†Property Growth	11¼%
†Vanbrugh Guaranteed	10.75%

† Address shown under Insurance and Property Bond Table.

NOTES

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

1978 High	1978 Low	Stock	Price £	+ or –	Div. % Gross	Red. Yield
24	17	Antofagasta Rly...	23½	......	—	—
41	33	Do. 5pc Pref......	39	......	—	—
98	98	Chilean Mixed......	98	......	—	13.10
415	350	German Yng. 4½pc..	415	......	4½	—
54	46	Greek 7pc Ass....	50	......	3½	17.20
51	46	Do 6pc 28 Stab. Ass.	49	......	6	16.24
44	40	Do 4pc Mixed Ass..	40		4	15.13

BONDS & RAILS—Cont.

U.S. $ & DM prices exclude inv. $ premium

AMERICANS

S.E. List Premium 34⅝% (based on US$1.9782 per £)
Conversion factor 0.7404 (0.7332)

CANADIANS

S.E. List Premium 34⅝% (based on $2.3363 per £)

BANKS AND HIRE PURCHASE

BANKS & HP—Continued

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

CHEMICALS, PLASTICS—Cont.

DRAPERY AND STORES

ELECTRICAL AND RADIO

ENGINEERING MACHINE TOOLS

ENGINEERING—Continued

FOOD, GROCERIES, ETC.

FOOD, GROCERIES—Cont.

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

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INDUSTRIALS—Continued

[illegible]

INSURANCE

[illegible]

INSURANCE—Continued

[illegible]

LEISURE

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPBUILDERS, REPAIRERS

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

INVESTMENT TRUSTS—Cont.

[illegible]

Finance, Land, etc.

[illegible]

FINANCE, LAND—Continued

[illegible]

OILS

[illegible]

OVERSEAS TRADERS

[illegible]

RUBBERS AND SISALS

[illegible]

TEAS

India and Bangladesh

[illegible]

Sri Lanka

230	123	Lunuva £1	227	......	5.58	1.5	3.7

Africa

[illegible]

MINES

CENTRAL RAND

[illegible]

EASTERN RAND

[illegible]

FAR WEST RAND

[illegible]

O.F.S.

[illegible]

FINANCE

[illegible]

DIAMOND AND PLATINUM

[illegible]

CENTRAL AFRICAN

[illegible]

MINES—Continued

AUSTRALIAN

1978 High	Low	Stock	Price	+ or —	Div. Net	Cvr	Y'ld Gr's
15	9	Acmex 25c	10	......	—	—	—
140	64	Bougainville 50 Toea	121	-4	†Q8c	1.4	4.2
131	63	BH South 50c	114	-2	—	—	—
420	150	Central Pacific	385	-30			
336	148	Conzinc Riotinto 50c	270	-10	‡Q10c	2.2	‡
27	9½	Endeavour 20c	18	-½	—	—	—
75	45	G.M. Kalgoorlie $1	52	-2	—	—	—
68	18	Haoma Gold N.L.	30	......			
158	81	Hampton Areas 5p	153	......	♦13.55	2.0	3.5
40	10	Metals Ex. 50c	26½	......			
223	125	M.I.M. Hldgs. 50c	188	-7	Q9c	1.7	3.0
22	10	Minefields Expl.	15	......	—	—	—
40	10	Mount Lyell 25c	36	-4	—	—	—
7	1½	Newmetal 10c	5½	......			
143	79	North B. Hill 50c	102	-2	Q8c	1.3	4.8
16½	8½	Nth. Kalgurli	11	......	—	—	—
50	12	Nth. West Mining	25	......			
178	115	Oakbridge $A1	126	......	Q12c	1.9	10.9
42	10	††Otter N.L.	22	-1	—	—	—
70	30	Pacific Copper	63	+1	—	—	—
£15½	725	Pancont'l 25c	750	......	—	—	—
40	12	Paringa M.&Ex. 5p	19	......			
570	310	Peko-Wallsend 50c	416	-10	Q15c	♦	2.2
300	50	Southern Pacific	165	-5	—	—	—
164	84	Westn. Mining 50c	130	-4	Q5c	0.7	1.4
100	35	Whim Creek 20c	65	......	—	—	—

TINS

1978 High	Low	Stock	Price	+ or —	Div. Net	Cvr	Y'ld Gr's
30	23	Amal. Nigeria	24	......	2.81	1.3	17.4
420	240	Ayer Hitam $M1	305	-10	Q300c	0.5	21.1
60	45	Beralt Tin	55	......	4.0	♦	11.4
305	190	Berjuntai $M1	205	......	Q110c	1.0	11.5
185	131	Geevor	160	......	H5.57	5.8	5.3
11	8½	Gold & Base 12½p	10	......	—	—	—
350	220	Gopeng Cons.	295	-5	†15.36	0.9	7.7
320	130	Hongkong	312xd	......	12.5	♦	6.0
93	73	Idris 10p	73	......	‡12.0	1.6	‡
11	7	Jantar 12½p	9½	......	—	—	—
84	65	Kamunting $M0.50	64xd	......	†Q12.5c	2.1	4.2
640	450	Killinghall	620	......	Q128.36	♦	23.7
470	280	Malay Dredging $M1	350	-10	Q175c	0.7	10.7
78	40	ΔPahang	43	-1	—	—	—
78	50	Pengkalen 10p	60	......	6.60	1.3	16.4
270	165	Petaling $M1	210xd	......	Q120c	♦	12.3
87	49	Saint Piran	80	-2	†2.03	6.5	3.9
70	47	South Crofty 10p	60	-2	†4.19	2.0	10.7
245	140	South Kinta $M0.50	170	-5	sQ145c	0.6	18.3
340	230	Sthn Malayan $M1	270	-5	Q190c	1.0	15.1
240	134	Sungei Besi $M1	210xd	-5	mQ65c	5.3	6.6
85	55	Supreme Corp $M1	65	......	ZQ10c	—	3.3
103	64	Tanjong 15p	103	......	6.60	0.8	9.6
100	74	Tongkah Hrbr. $M1	85	......	Q35.82%	0.7	9.3
270	148	Tronoh $M1	195	-5	‡Q68c	1.6	‡

COPPER

1978 High	Low	Stock	Price	+ or —	Div. Net	Cvr	Y'ld Gr's
104	54	Messina R0.50	56	......	—	—	—

MISCELLANEOUS

1978 High	Low	Stock	Price	+ or —	Div. Net	Cvr	Y'ld Gr's
68	35	Barymin	55	-3	—	—	—
17	9	Burma Mines 17½p	12	......	—	—	—
300	170	Cons. Murch. 10c	170	-5	‡Q30c	2.6	‡
465	245	Northgate C$1	350	-30	—	—	—
263	164	R.T.Z.	232	+1	9.5	2.8	6.1
90	30	Sabina Inds. C$1	40	-4	—	—	—
£12	667	Tara Expln. $1	712	-13	—	—	—
185	120	Yukon Cons. C$1	165	......	Q7c	2.9	2.0

GOLDS EX-$ PREMIUM

London quotations for selected South African gold mining shares in U.S. currency excluding the investment dollar premium. These prices are available only to non-UK residents.

1978 High	Low	Stock	Price	+ or —	Div. Net	Cvr	Y'ld Gr's
$15¼	$10¼	Buffels R1	$11	+⅛	Q170c	1.8	17.9
$11¼	830c	East Drie R1	895c	+5	†Q78c	1.7	10.1
585c	330c	East Rand Prp. R1	375c	......	—	—	—
$22⅝	$16½	F.S. Geduld 50c	$18⅞	+⅛	Q315c	♦	19.8
$15⅛	975c	Pres. Brand 50c	$10⅞	......	Q150c	♦	15.9
$13⅞	900c	St. Helena R1	988c	......	Q190c	♦	22.2
465c	313c	Stilfontein 50c	425c	+5	†Q22c	2.3	6.0
$17⅞	$16¼	Vaal Reefs 50c	$17½	......	Q115c	3.3	7.7
$37	$25	West Drie R1	$29½	+¼	Q385c	1.7	15.0
$31¼	$19	West Hldgs. 50c	$21	......	Q415c	♦	22.8
$12½	895c	Western Deep R2	$10¼	......	Q82.5c	2.4	9.3

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross, adjusted to ACT of 33 per cent. and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- Δ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- †† Unlisted security.
- ¢ Price at time of suspension.
- § Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ♦ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♦ Excluding a final dividend declaration.
- ♦ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital: cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1978-79. K Figures based on prospectus or other official estimates for 1978. M Dividend and yield based on prospectus or other official estimates for 1978. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date. §§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 24

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REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Albany Inv. 20p	26	..	Sheffield Brick	53	-2
Ash Spinning	67	..	Sheff. Refrshmt.	67	......
Bertam	15	..	Sindall (Wm.)	118	+1
Bdg'wtr. Est. 50p	323	....			
Clover Croft	28	..	**IRISH**		
Craig & Rose £1	615xd	..			
Dyson (P. A.) A	35	..	Conv. 9% '80/82	£90	......
Ellis & McHdy.	66	+1	Alliance Gas	103	+6
Evered	23	..	Arnott	350xd	......
Fife Forge	52	..	Carroll (P.J.)	94	......
Finlay Pkg. 5p	21	..	Clondalkin	99	......
Graig Ship. £1	135	-5	Concrete Prods.	130	......
Higsons Brew	74	..	Heiton (Hldgs.)	45	+2
Holt (Jos) 25p	252	..	Ins. Corp	168	+8
I.O.M. Stm. £1	192	..	Irish Ropes	105	......
N'thn. Goldsmith	72	+2	Jacob	50	......
Pearce (C. H.)	198	..	T.M.G.	190	......
Peel Mills	22	+1	Unidare	80	......

OPTIONS

3-month Call Rates

Industrials		I.C.I.	20	Tube Invest.	30
A. Brew	6½	"Imps"	6	Unilever	35
A.P. Cement	18	I.C.L.	20	Utd. Drapery	7½
B.S.R.	9	Inveresk	8	Vickers	15
Babcock	11	KCA	3	Woolworths	5
Barclays Bank	25	Ladbroke	17		
Beecham	35	Legal & Gen.	14	**Property**	
Boots	15	Lex Service	7	Brit. Land	3¼
Bowaters	16	Lloyds Bank	22	Cap. Counties	4½
B.A.T.	24	"Lots"	4	E.P.	5
British Oxygen	6	London Brick	5	Intreuropean	4
Brown (J.)	20	Lonrho	5	Land Secs.	16
Burton 'A'	12	Lucas Inds.	25	MEPC	12
Cadburys	5	Lyons (J.)	10	Peachey	8
Courtaulds	10	"Mams"	7	Samuel Props.	9
Debenhams	8	Mrks. & Spncr.	10	Town & City	1¼
Distillers	15	Midland Bank	25		
Dunlop	7	N.E.I.	12	**Oils**	
Eagle Star	11	Nat. West. Bank	22		
E.M.I.	14	Do. Warrants	10	Brit. Petroleum	45
Gen. Accident	17	P & O Dfd.	8	Burmah Oil	5
Gen. Electric	18	Plessey	8	Charterhall	3
Glaxo	40	R.H.M.	5	Shell	28
Grand Met.	9	Rank Org. 'A'	18	Ultramar	20
G.U.S. 'A'	20	Reed Intnl.	12		
Guardian	18	Spillers	3	**Mines**	
G.K.N.	22	Tesco	4	Charter Cons.	12
Hawker Sidd.	20	Thorn	22	Cons. Gold	14
House of Fraser	12	Trust Houses	15	Rio T. Zinc	16

A selection of Options traded is given on the London Stock Exchange Report page

FINANCIAL TIMES
Saturday December 16 1978

MAN OF THE WEEK

Putting his stamp on it

BY JOHN MOORE

IF THE CITY was having some *difficulty in assessing the logic* behind Letraset's £19m bid for the world famous stamp dealer, Stanley Gibbons, Letraset itself was very clear on its reasons.

The acquisition of Gibbons, said Letraset, is part of its plan to search out specialist companies, with international markets, which will provide further growth potential.

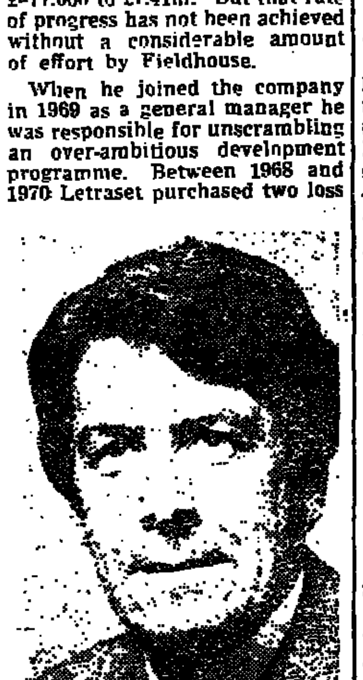
Chief architect of Letraset's policy is its 46-year-old chairman, William Fieldhouse. *He* sees the getting together of a supplier and distributor of artist's materials (and Letraset is best *known for its transfer lettering* products) with a stamp dealer as a natural and desirable development.

"We don't know anything about stamps," he said yesterday, "but when you have as we do a *dominant* market share in the *commercial art* market there is really no related field to move to. So if you like, we are moving from Mars to Venus."

What Fieldhouse is looking for in whatever acquisition that he makes is that the company should have shown flair in its respective market. Its business should be more market orientated than biased towards heavy manufacturing. Letraset took great pains yesterday to stress that "the profile and style of Stanley Gibbons is compatible with the style, image and pattern of operations of Letraset."

Fieldhouse became chief executive of Letraset in October 1970. Since then taxable profits of the group have climbed from £477,000 to £7.41m. But that rate of progress has not been achieved without a considerable amount of effort by Fieldhouse.

When he joined the company in 1969 as a general manager he was responsible for unscrambling an over-ambitious development programme. Between 1968 and 1970 Letraset purchased two loss making UK operations, Masson Seeley and Vacuum Metallurgical Developments, as an entry into the heat transfer industrial decoration market.



William Fieldhouse
We are moving from Mars to Venus

Both companies were a drain on the group's resources and it became clear that Letraset was trying to force the pace of its *technological and marketing* development. One of Fieldhouse's early jobs was to dismember the Masson Seeley operation and control costs elsewhere.

In a year he had become chief executive of the group. His appointment came after the company realised that its management was not equipped at various levels to cope with the rapidly expanding size of the business. After all it was only nineteen years ago that the Letraset company was created to market the instant lettering invention. Many of the management were experienced with running only a small company.

Fieldhouse had an ideal background for the job. He was an engineer by training. He worked nine years in the process plant industry with Allis Chalmers International in a variety of marketing and general management positions, and he held executive positions with other groups of some size.

He was responsible for *strengthening Letraset's management*, introducing tougher financial controls, developing Letraset's important marketing policy (*the plank of which involves the* group's close partnership with distributors), and allowing the operating subsidiaries to enjoy a *greater degree of* autonomy in marketing.

Fieldhouse intends that Stanley Gibbons should have *full autonomy.* "*We have offices* in 22 major cities overseas. We've paid their rent, we know the commercial lawyers, we *understand the personnel problems* overseas, and we have the experience internationally to help Gibbons develop."

For Fieldhouse the purchase is a shrewd one. And perhaps it is a tribute to his highly regarded negotiating ability that he managed to complete the deal in just three days. On the face of it the deal should have required a lot of selling for Gibbons was hardly in need of a suitor.

Israel calls U.S. biased

BY DAVID LENNON

TEL AVIV — The Israeli Cabinet yesterday blamed Egypt for the deadlock in the Middle East peace negotiations and *accused the U.S. of being biased* towards Cairo. It also supported Prime Minister Menahem Begin's rejection earlier this week of *four new Egyptian proposals* for resolving the impasse.

Yesterday's decision appears certain to sharpen the confrontation between Jerusalem and Washington, following President Jimmy Carter's declaration on Thursday that the fate of the *peace talks now depended on* Israeli acceptance of the new proposals.

The special Cabinet session *was called after the collapse, this* week, of the attempt by Mr. Cyrus Vance, the U.S. Secretary *of State, to obtain a peace agreement* by the weekend.

After the meeting, Mr. Begin said he hoped the consultations *and negotiations towards a peace* agreement would continue, but added he did not know when.

He said the Cabinet is prepared *to sign, without delay, the draft* peace treaty, including the annexes, as formulated on November 11, with the approval of the U.S. Government. Responsibility for the failure to to sign the treaty within the three months agreed upon at Camp *David "rests entirely with the* Egyptian Government," he said.

The Cabinet communique outlined the four Egyptian demands.

● *Exchange of ambassadors* should be conditional upon the implementation of Palestinian *self-government, at least in the* Gaza Strip.

● There should be a review of the security arrangements in the *Sinai, five years after signing a* peace treaty.

● An interpretative note should be added to Article Six of *the treaty, which would negate its* content, which gives the pact with Israel precedence over Egypt's commitment to Arab states.

● *A target date should be set* for implementation of the autonomous self-government on the West Bank and Gaza Strip.

Roger Matthews *adds from* Cairo: President Anwar Sadat and senior Egyptian officials are expected to undertake an extensive policy review following Israel's rejection of the proposals.

There is no indication Mr. Sadat is considering any dramatic moves and he will probably be content to work *closely with the U.S. in the* search for a new formula which will allow negotiations with Israel to resume.

Mr. Sadat is also thought to have been jolted by the reaction of the more moderate Arab states, as demonstrated at the Baghdad *summit meeting*, and may welcome the opportunity of showing his pan-Arab commitment while tactically allowing *the U.S. to do most of the* battling with Israel for him.

A peace treaty is still the essential plank of Mr. Sadat's policy but he is aware of the dangers in allowing the present situation to deteriorate.

Moves to check EEC crisis

BY GUY DE JONQUIERES AND GILES MERRITT

STRENUOUS EFFORTS are being made in Brussels to prevent the row over the budgetary powers of the European *Parliament from developing into* a full-scale political battle, caus*ing further damage to France's* strained relations with the Com*mon Market's institutions.*

Fears are growing that the *June date for direct elections to* the European Parliament could *be in jeopardy if the crisis* caused by the decision to vote a substantial increase to the EEC Regional Fund is not quickly defused.

Although there is no indication that the French Government has directly raised that possibility, both French Commissioners are understood to have *warned of it at an emergency* Commission meeting which broke up here early yesterday morning after several hours of *feverish debate.*

If this week's budget decision were allowed to stand unchallenged, it would undoubtedly *fuel accusations by the Gaullists that the European Parliament* was encroaching on French sovereignty and could force *President Giscard d'Estaing onto* the political defensive at home. That could have serious consequences, especially since France takes over as chairman of the EEC Council of Ministers at the start of next year.

But the Commission, which is to hold another special meeting on Monday, is still split on what action to take. Some Commis*sioners, notably the French and* Belgian members, argue that the Parliament should be taken to the Court of Justice.

Mr. Christopher Tugendhat, British Commissioner for the budget, is understood to favour seeking some form of legal com*promise which would prevent a* bitter *confrontation* between the EEC's institutions.

The argument turns on whether next year's budget has in fact been legally adopted. The Commission lawyers say that this is the case, but France contends that the Parliament's action was constitutionally invalid and should be challenged by the Commission.

Caught in this crossfire, the Commission is still unsure *whether at the start of next year* it will have to put into effect a budget whose legitimacy is disputed by a major member State or, *on the other hand, be forced* to administer the EEC's finances on a month-to-month basis, in the absence of an agreed budget.

It is still possible that a compromise decision of some kind will be reached at one of next week's council meetings which will allow the 1979 budget to be put into effect to the satisfaction of all parties.

It has been suggested, for example, that EEC governments could let the Parliament's decision to increase the Regional Fund stand but deliberately ensure that applications to it did not total more than the £415m agreed by the Council.

Continued from Page 1

Pay

vants of the State.

The four unions involved will be making separate approaches to the Government and TUC to try out ideas of what that pay link with earnings elsewhere should consist of. Mr. Clive Jenkins, of the white-collar ASTMS, which has members in health and education, said he would be pressing for full-scale pay inquiries for these staff

Mr. Callaghan said as long ago as *May that because of the inter*relationship of pay bargaining in public and private sectors, the Government would in future *have to adopt a policy for all* wage-earners, not just those employed by the State. Union leaders will now throw that *argument back in his face: if the* private sector is to be subject to exhortation alone, then the public sector should not be kept *to a uniform wage settlement.*

Since sanctions were never really employable against public sector workers, their removal *will make little practical difference.* But the Government's retreat could encourage bodies like the BBC, which is in public *disagreement with its paymaster* about the incomes policy. BBC management asked that its staff be made a special case this year *—as provided for in the White* Paper—to remove anomalies caused by the 1975 £6 pay policy. It was turned down, and *is now planning* to put a message on TV screens blaming the pay policy for industrial action that will black out programmes over the holiday.

In the private sector meanwhile, the end of sanctions has already started to influence *negotiations—notably* the Newspaper Society which had been asking the Department of Employment to approve a 9 per cent pay offer in the hope of ending the national strike of provincial newspaper journalists.

John Elliott, Industrial Editor, writes: The Confederation of British Industry is preparing for a major battle with the Government over the posible use of price controls to prop up the 5 per cent pay limit.

Next Thursday the Confederation's leaders will warn the Prime Minister at talks in Downing Street that stricter price controls will lead to lower profitability and reduced industrial investment.

*They fear the TUC may sug*gest next week that the credibility of the Government's economic policies should be bolstered by the extension of price controls. One idea which figured in the last TUC-Government pay and price talks in November is that the present safeguard arrangements allowing loss-making companies to raise prices should be cancelled.

The Confederation will therefore tell the Prime Minister that it will mount a major political campaign against any new price controls.

During the past year it has developed its political lobbying arrangements, especially over the use of pay sanctions. In the run up to the Government's defeat on Wednesday night, its leaders met all the political parties at Westminster to urge them to oppose sanctions. A similar campaign, plus lobbying of individual MPs in their constituencies by local industrialists would be mounted on price controls.

Meanwhile the Confederation's pay data bank has been told of wage settlements for nearly 1m workers. More than three-quarters involve rises of around the Government's 5 per cent limit, although many claims are still being lodged for 30 per cent or more.

Rhodesia oil inquiry set up

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

THE GOVERNMENT is to set up a special commission of inquiry of the Lords and Commons to investigate failures in the application of oil sanctions against *Rhodesia. The decision* came in for harsh criticism when it was announced in the Commons yesterday by the Prime Minister.

The inquiry, which follows the publication of the Bingham Report on the application of sanctions earlier this year, is to sit in private. It will publish its findings, but not its evidence.

The Government will be prepared to break the 30-year confidentiality rule and make Cabinet papers available to the commission through a strict vetting procedure carried out by the chair*man of the commission, who will* be a Lord of Appeal.

The decision to sit in private is certain to run into stiff opposition after the Christmas recess from MPs on both sides of the House when they debate the resolution setting up the commission.

Back-benchers have already expressed fears that the Government and Conservative front*benchers are getting together to* play down the embarrassing sanctions controversy.

The commission is "to consider following the Report of the Bingham Inquiry, the part played by those concerned in the development and application of the policy of oil sanctions against *Rhodesia, with a view to deter*mining whether Parliament or Ministers were misled, intentionally or otherwise."

Mr. Callaghan justified holding the inquiry in private on the grounds that this protected reputations that could be ruined *by allegations at a public* hearing.

"This will be a private inquiry held by people of considerable reputation where people's reputations will not be improperly traduced," he said. "This is as good a form of inquiry as we can hold."

The Government will table a resolution setting up the commission during the week beginning January 22. Mr. Callaghan promised there would be a free vote on the Government side on the proposal.

He wanted the inquiry to reach a speedy and effective conclusion. Some of those concerned, particularly Sir Harold *Wilson, had been spitefully* attacked over their conduct in the matter. In fairness to him it should be disposed of quickly.

There was strong criticism from Mr. Edward Heath, the former Tory Prime Minister, as Mr. Callaghan made his announcement to a sparsely *attended House on the eve of* the Christmas recess.

Mr. Heath objected that the Government was really propos*ing a Tribunal of Inquiry,* but without the public being present.

"I would suggest that this is the worst of all possible worlds," he said.

Mr. Callaghan said that the Cabinet papers would be made available only if Mr. Heath and Sir Harold Wilson, the former Labour Prime Minister, agreed.

The chairman, with the assistance of Treasury solicitor, would decide which of the papers would be seen by members of the commission or witnesses. He would also decide whether to publish any of the papers in the final report.

Many MPs feel that the commission should decide whether the Cabinet documents should be made available.

Mr. Heath will wait until after the debate in the Commons *before making a decision* whether the papers of his administration should be released.

TUC will support journalists' appeal

BY PHILIP BASSETT, LABOUR STAFF

THE TUC agreed yesterday to support an appeal to the House *of Lords, if necessary, against* a High Court decision to order the National Union of Journalists to lift its instruction to Express *group journalists to black copy* from the Press Association.

Agreement by the TUC to take on the case was conditional on *the court orders being obeyed.* Mr. Len Murray, the general secretary, said that the TUC was "exceptionally concerned" at Mr. Justice Lawson's decision.

After meeting Mr. Murray and the TUC legal advisers the NUJ withdrew its instruction to Express Newspapers journalists to black PA copy given in support of a strike by 9,000 local newspaper journalists.

Mr. Murray told Mr Denis MacShane, president of the NUJ, that he would urge the TUC General Council to finance the case to the Court of Appeal. The hearing is likely to be on Tuesday.

He would urge affiliated unions to give financial backing to take the appeal to the Lords if necessary. The backing was conditional on the NUJ's conforming with the injunction and instruct*ing its members, at Express* Newspapers, to lift the blacking.

Mr. Murray said: "This case involves a matter of great importance to the trade *union* movement generally."

The Newspaper Society, the provincial newspaper employers' body, said that now that the Government had abandoned its sanctions policy it was prepared to improve its 8.7 per cent pay offer, if the provincial journalists returned to work.

The offer is unacceptable to the NUJ, which wants a settlement comparable to the 14-16 per cent deal achieved by its Scottish members.

Journists on the Sunday Times decided to withdraw from an agreement over new technology and disputes procedures because they claimed journalists on The *Times had benefited from hang*ing back until after the November 30 deadline set by the management for all staff. They *claimed they had been assured* that no group would profit by negotiating after the deadline.

Alan Pike writes: The possi*bility of a major breakthrough in* the dispute which has led to Times Newspapers' suspending publication, collapsed in a dis*agreement over the issue of dis*missal notices last night.

After five hours' negotiations, chaired by Mr. Albert Booth, Employment Secretary, a formula was reached for the company and the National Graphical Association to negotiate on the crucial issue of new technology.

Print union leaders insisted that they were prepared to talk only if dismissal notices did not go out to about 3,000 staff this weekend. Times Newspapers management said the dismissals must go ahead.

Under the agreement, it was proposed that negotiations should continue under the chairmanship of Mr. Len Murray, general secretary of the TUC.

● Mr. Alan Hare, managing director of the Financial Times, confirmed yesterday that the *newspaper's management* had given a written warning to the National Graphical Association that 57 members would be *deemed to have terminated* their contracts of employment unless assurances of normal working were received by Tuesday.

The move stems from what the management regards as continual disruptions to normal production. The company has asked *NGA leaders to intervene in the* dispute, about general pay levels, and in particular plans to print an edition of the paper in *Frankfurt, West Germany, from* January 2.

Weather

UK TODAY

MOSTLY dry, cloudy, with occasional rain. Some snow in north.

London, S.E., N., E., Cent. S. England, E. Anglia, S., E., Cent. Scotland, Lakes, Midlands
Cloudy with wintry showers, some bright intervals. Max. 4C (39F).

Channel Islands, S.W. England, Wales, Isle of Man, N. Ireland
Sunny intervals. Showers near coasts. Max. 5-7C (41-45F).

Highlands, Scottish Islands
Cloudy, some rain, sleet or snow. Max. 3C (37F).

Outlook: Cold. Wintry showers in north and east. Bright intervals. Night frost and fog patches.

BUSINESS CENTRES

		Y'day Midday °C	°F			Y'day Midday °C	°F
Amstm	C	7	45	London	R	9	48
Athens	F	18	64	Luxmbg	C	6	43
Bahrain	S	23	73	Madrid	C	9	48
Barclona	F	14	57	Melbne	S	18	64
Beirut	F	20	68	Milan	C	3	37
Belfast	F	6	43	Montrl	Sn	−2	28
Belgrade	F	8	46	Moscow	C	2	36
Berlin	C	7	45	Munich	R	7	45
B'ham	C	6	43	Nwcstle	C	7	45
Bristol	C	8	46	N York	C	4	39
Brussels	C	8	46	Oslo	Sn	−7	19
Budapest	F	8	46	Paris	C	10	50
B. Aires	S	24	75	Perth	C	23	73
Cairo	S	20	68	Prague	C	6	43
Cardiff	C	8	46	Rykjvk	C	1	34
Chicago	S	3	37	Rio J'o	C	29	84
Cologne	C	7	45	Rome	F	16	61
Conhagn	Sn	0	32	S'pore	S	30	86
Dublin	C	7	45	Stkhlm	F	−7	19
Edinbrgh	C	6	43	Strasbg	R	8	46
Frankfurt	C	7	45	Sydney	R	19	66
Geneva	R	7	45	Tehran	S	10	50
Glasgow	R	7	45	Tokyo	R	10	50
Helsinki		−19	−2	Toronto	C	2	36
H Kong	S	20	68	Vienna	F	11	52
Jo'burg	C	22	72	Warsaw	R	4	39
Lisbon	C	16	61	Zurich	F	6	43

HOLIDAY RESORTS

Ajaccio	C	14	57	Jersey	C	9	48
Algiers	F	18	64	L. Plmas	C	19	66
Biarritz	C	13	55	Locarno	F	5	41
Blckpool	F	7	45	Majorca	C	15	59
Brdeaux	R	8	46	Malaga	F	17	63
Boulogne	Hl	9	48	Malta	S	18	64
Casblca	F	20	68	Nairobi	S	23	73
Cape Tn	C	20	68	Naples	C	14	57
Corfu	S	17	63	Nice	S	15	59
Dubrvnk	F	10	50	Nicosia	S	21	70
Faro	C	18	64	Oporto	R	11	52
Florence	C	13	55	Rhodes	C	18	64
Funchal	F	22	72	Salzbrg	C	6	43
Gibraltar	F	18	64	Tangier	F	18	64
Guernsey	C	10	50	Tenerife	F	18	64
Innsbrck	F	4	39	Tunis	C	17	63
Invrnss	R	4	39	Valencia	C	14	57
I of M	S	7	45	Venice	F	5	41
Istanbul	F	10	50				

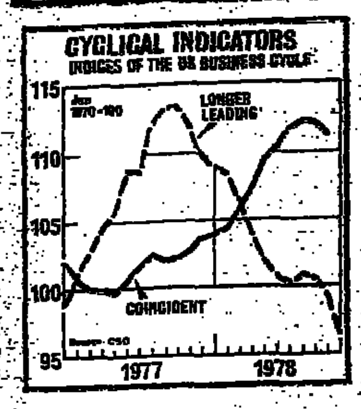
S—Sunny C—Cloudy F—Fair R—Rain. Hl—Hail. Sn.—Snow.

THE LEX COLUMN

Guinness tops up in second half

The 30-Share Index has lost 12.3 points on the week, the Christmas spirit being submerged by the political uncertainties and economic doubts. Thus, yesterday's official cyclical indicators showed that the coincident index has now begun to point down, while the longer leading index continues to decline as it has most of the year.

Index rose 3.1 to 481.0



Guinness

Everything is relative, and by the standards of Arthur Guinness' poor half-time figures —when pre-tax profits were down a sixth—the 14 per cent improvement for the full year looks reasonably impressive. By implication, the second six months produced a jump of 37 *per cent. But this gain owed* something to the initial impact of a price rise on beer in Ireland in July. And several exceptional items, such as a *53rd week for the whole group* and an extra five months for the general trading companies, have served to flatter the figures. For the year, Guinness has once again underperformed *most of the* UK *brewing* majors, and its basic problem of declining demand persists: stout volume seems to have dropped, despite Guinness weather in the summer, by 2 to 3 per cent, and since the Irish market was strong it looks as though demand was especially weak in the UK.

Brewing profits, in fact, were *scarcely higher last year.* The main growth has come in non-brewing activities, which now contribute 31 per cent of trading profits, while profits of associates have also been buoyant. The prospects for these various activities in general trading and plastics are hard to assess. But Guinness is confident about seeing reason*able overall growth this year*, and at 162p the p/e (on a low tax charge) is an undemanding 5.3.

TV rental sale

Lloyds and Scottish shares rose 10p to 112p on news that it has sold its British Relay television rental assets to Electronic Rentals for £61m cash—and one can see why. The disposal brings L and S a surplus of about £18m before tax on book values—and *it will be able to exploit the tax* liability by writing more leasing business.

After allowing for £26m of associated liabilities, net borrowings *will fall* from 6.8 to around 5.5 times tangible shareholders' funds. This means that L and S will be able to do a lot more business *without* threatening its conservative balance *sheet ratios.* And the impact on profits is equally healthy, since British Relay made just £1.6m pre-tax last year.

So Electronic Rentals has paid a handsome price for a business with an undistinguished record. *But its shares* rose too by 6p to 144p, and not just because of the promise of a big dividend increase. The price works out *at* a bit under £185 per contract, which is probably in line with recent deals, and ER should qualify for favourable tax treatment on the purchase. It has a good acquisitions record, and if it can absorb the *new business* into its existing overhead structure, the benefits will be substantial.

An indication of this is the forecast that gearing will be reduced to "more normal levels" within the space of two years. The immediate impact of the deal is to reduce shareholders' funds from 54 to 42 per cent of capital employed. *Another sign of ER's confidence* is the forecast that dividends for the year to March 1980 will be 63 per cent above last year's level. Anyone prepared to stick around that long will be getting a yield of 8½ per cent at the current price.

Rank Leisure Caravan

At first glance Rank Organisation's £20m agreed bid for Leisure Caravans is likely to raise a few eyebrows. After all Rank has been far from successful in its earlier diversifications, and this does not immediately look like a radically new strategy from the new Rank management. Still, Leisure Caravans does appear to be a very *successful business.* Between 1973 and 1978 earnings per share have trebled, and the company is forecasting that pre-tax profits will increase *at least* 15 *per cent* in the year to February, 1979. So if Rank has decided that it wants to expand its existing—Butlin's—interests in this area Leisure Caravans looks as good a bet as any. The exit p/e of *around* 18, fully taxed, does not look cheap. But the acquisitions will have little impact on Rank's earnings, one way or the other.

Letraset/Gibbons

When Letraset made its bid for J. and L. Randall in April it apparently already *had* its sights set *on Stanley Gibbons*: now a slice of the £12.8m cash required as an element of the Gibbons bid will be raised by selling off Randall's assets.

Randall was a financing vehicle that happened to contribute a useful toy division. Gibbons is, in theory at least, the source of a new burst of growth to Letraset, which has just produced first half figures showing—once the acquisitions are stripped out—only 8 per cent *pre-tax profit* growth, admittedly with a substantial adverse exchange rate effect.

Letraset argues the need for *cash backing* so that the stamp portfolio which enables Gibbons to make a market worldwide can be expanded in line with the volume growth of stamp trading, while Letraset's overseas operations should be helpful to Gibbons.

The £2m profit forecast for Gibbons puts the shares, at the 300p of the cash offer, on an exit *p/e of 19*, slightly below the historic 21 ruling in the market before the bid was announced. Letraset's shares are only being underwritten for the cash offer at 122p, against 135p at the time of the Randall bid, but the boost in dividend that has been allowed by the Treasury should give them support while the implications of the bid for Gibbons are being digested.

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